

# STATE OF NEBRASKA

## 2016

### Annual Action Plan

DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

Housing, Community Development, & Economic Development Programs



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Homeless Services & HOPWA Services Programs



Effective July 1, 2016 - June 30, 2017

**Table of Contents**

**2016 Annual Action Plan**

<b>Section</b>	<b>Page #</b>
<b>Executive Summary</b>	<b>AP-05—3</b>
<b>Lead &amp; Responsible Agencies</b>	<b>PR-05—9</b>
<b>Consultation</b>	<b>AP-10—11</b>
<b>Participation</b>	<b>AP-12—19</b>
<b>Expected Resources</b>	<b>AP-15—23</b>
<b>Annual Goals and Objectives</b>	<b>AP-20—30</b>
<b>Allocation Priorities</b>	<b>AP-25—33</b>
<b>Methods of Distribution</b>	<b>AP-30—37</b>
<b>Projects</b>	<b>AP-35—68</b>
<b>Project Summary</b>	<b>AP-38—69</b>
<b>Section 108 Loan Guarantee</b>	<b>AP-40—70</b>
<b>Community Revitalization Strategies</b>	<b>AP-45—71</b>
<b>Geographic Distribution</b>	<b>AP-50—72</b>
<b>Affordable Housing</b>	<b>AP-55—73</b>
<b>Public Housing</b>	<b>AP-60—75</b>
<b>Homeless and Other Special Needs Activities</b>	<b>AP-65—76</b>
<b>HOPWA Goals</b>	<b>AP-70—80</b>
<b>Barriers to Affordable Housing</b>	<b>AP-75—81</b>
<b>Other Actions</b>	<b>AP-85—84</b>
<b>Program Specific Requirements</b>	<b>AP-90—87</b>

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

The 2016 Annual Action Plan (AAP) is the second annual plan and update to the *Nebraska Housing and Community Development Program's Consolidated Plan* (Consolidated Plan), a five-year plan (2015-2019) addressing the State's housing and community development needs. Federal resources provided by HUD that are discussed within the Plan include: Community Development Block Grant (CDBG); the HOME Investment Partnerships Program (HOME); Emergency Solutions Grant (ESG) Program; and Housing Opportunities for Persons with AIDS Program (HOPWA).

HUD Standard Form 424 (Application for Federal Assistance) is submitted as part of the plan to request federal funding for the State of Nebraska.

In addition, where appropriate, information on two State Programs will also be discussed within the Consolidated Plan that includes the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF). The CDBG, HOME, and NAHTF Programs are administered through the State of Nebraska, Department of Economic Development (DED) and DED is the lead agency responsible for coordinating the development of the Consolidated Plan. The ESG, HOPWA, and HSATF Programs are administered through the State of Nebraska, Department of Health and Human Services (DHHS) and DHHS works in conjunction with DED in developing the Consolidated Plan. ESG and HSATF resources are utilized by DHHS and administered under the Nebraska Homeless Assistance Program.

The Nebraska Homeless Assistance Program is a grant program that is comprised of the Nebraska's Homeless Shelter Assistance Trust Fund (HSATF) and the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG). The Department of Housing and Urban Development's Emergency Solutions Grant program funds are matched with HSATF. The HSATF is state funding that is based on a twenty-five cent set-aside on each \$1,000.00 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales. The Nebraska Department of Health and Human Services funds all areas of the state with the Homeless Shelter Assistance Trust Fund dollars. The ESG funds received by HUD for the state exclude the entitlement cities Omaha and Lincoln; these cities are responsible for distribution and administration of their own ESG award. Allocations are based on a formula. The formula is determined using a minimum funding amount for all regions, population base, poverty data, and pro-rata percent. The formal and funding process emphasizes equitable distribution as well as quality projects and programs.

The Nebraska 2016 Annual Action Plan affirms the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended, which relate to major commitments and priorities of DED and DHHS. This complex set of goals can be compressed into three main areas that include:

**Provide Decent Housing**

- Assist homeless persons to obtain appropriate housing
- Assist those threatened with homelessness
- Retain affordable housing stock
- Make available permanent housing that is affordable to low-income persons without discrimination
- Increase the supply of supportive housing for persons with special needs

**Provide a Suitable Living Environment**

- Improve safety and livability of neighborhoods
- Increase access to quality facilities and services
- Reduce isolation of income groups within an area through decentralization of housing opportunities and revitalization of deteriorating neighborhoods
- Restore and preserve properties of special value for historic, architectural, or aesthetic reasons
- Conserve energy resources

**Expand Economic Opportunity**

- Create and retain jobs accessible to low income persons
- Empower low income persons to achieve self-sufficiency to reduce generations of poverty in federally assisted public housing

The State views this mandate as an opportunity to extend and strengthen partnerships among organizations in the public, private, and nonprofit sectors. Through this collaboration, DED and DHHS hope to streamline approaches to meet these goals and effectively use limited resources. Nebraska anticipates receiving the following amounts in FY 2016.

CDBG: \$9,994,180  
HOME: \$3,023,400  
ESG: \$941,814  
HOPWA: \$370,412

In addition, the State anticipates receiving the following amounts for two State-funded programs which supplement and are utilized as match for the federal HOME and ESG programs. Below are the anticipated amounts for FY 2016.

NAHTF: \$10 million  
HSATF: \$3 million

Covering all areas of the State, except metropolitan Omaha, Lincoln, Bellevue, and Grand Island the Annual Action Plan identifies a one-year action plan for program implementation. As CDBG Entitlement Areas, Omaha, Lincoln, Bellevue, and Grand Island receive funds for these programs directly, and are required to prepare and submit their own Annual Action Plans.

## **2. Summarize the objectives and outcomes identified in the Plan**

The State of Nebraska identified five priorities, which summarize the goals of the five-year Consolidated Plan.

The main priorities and objectives within the 2016 AAP include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan it was determined that there were three overarching objectives guiding the proposed activities that include:

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Outcomes were developed to show how programs and activities would benefit a community or the persons within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, ESG, or HOPWA Programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

The future activities funded within the next five years will support at least one objective and one outcome as described above. The statutes for CDBG, HOME, ESG, and HOPWA covered by the Consolidated Plan Rule include a number of basic goals discussed in the Housing and Community Development Act, as amended, and the National Affordable Housing Act, as amended. The framework for realizing these objectives and outcomes will be associated with the specific priorities, as noted above.

Nebraska Performance Measures are established to monitor the State's progress on outcomes and objectives for each Program, including CDBG, HOME, ESG, and HOPWA. While each Program has successfully provided services in the past, these new measures should enhance the State's ability to quantify the results for those activities and to convey a complete picture of housing and community development activities.

In regard to the Emergency Solutions Grant (ESG) Program, the purpose of the Nebraska Homeless Assistance Program (NHAP) is to provide an overall "Continuum of Care" approach to address the needs of people who are homeless and near homeless in Nebraska by: Assisting in the alleviation of homelessness; providing temporary and/or permanent housing for persons who are homeless; and

encouraging the development of projects that link housing assistance with efforts to promote self-sufficiency.

The intent of the DHHS is to award funds through a regional and programmatic (i.e. activity specific) allocation process. Organizations are encouraged to seek other sources of funding and collaborate and coordinate programs and services with other organizations to optimize the use of NHAP funds. Program outcomes for NHAP are to provide decent affordable housing, establish and maintain a suitable living environment, and expand economic opportunity for individuals and families in Nebraska, particularly for low- and very-low-income persons. Strategies employed within the NHAP which are used to help reach each of these outcomes include:

- promoting self-sufficiency for persons who are homeless;
- involving a Continuum of Care approach by providing shelter and services in collaboration with other agencies;
- providing services and programs that fill an identified gap in the regional/local Continuum of Care;
- providing services and programs that if discontinued would create a substantial gap in the regional/local Continuum of Care; and
- Providing services and programs designed to prevent homelessness in the regional/local Continuum of Care.

Within the framework of reaching the NHAP outcomes, funding is focused on program activities which help to improve availability/accessibility, affordability, and sustainability.

### **3. Evaluation of past performance**

The State of Nebraska has been successful in its efforts to address the priority needs identified in the 2015-2019 Consolidated Plan. The State has worked hard to further the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low-and moderate-income persons (LMI). The projects selected by the State in FY 2015 address the priority needs identified in the State's 2015-2019 Consolidated Plan.

Specific details about past performance by the State on priorities covered by the 2010-2014 Consolidated Plan and strategies contained in Annual Action Plans are available through the State's Annual Performance Reports that are submitted to HUD each year. The 2014 Annual Performance Report was submitted to HUD in September of 2015 and is the most recent report submitted. The Report contains information regarding significant achievements in meeting the needs of Nebraskans. The State began utilizing its Outcome Performance Measurement System in 2006. This measurement system allows the State to better measure the accomplishments of activities funded with CDBG, HOME, ESG, and HOPWA.

#### 4. Summary of Citizen Participation Process and consultation process

The State of Nebraska conducted two public hearings on housing and community development issues in order to allow citizens the opportunity to provide input for the 2016 Annual Action Plan. The public hearings included presentations which focused on housing and community development strategies to address housing and community development needs throughout the state. The public hearings were held in Lincoln, with satellite sites throughout the state that included: Chadron, Columbus, Grand Island, Norfolk, North Platte, and Wayne.

Prior to the public hearings, public notices were published in newspapers throughout the state. Public hearing notices via email were also posted on the DED website; distributed to local officials; developers; non-profit organizations; Development Districts; the NCHH; and the CoCs throughout the state.

Below is additional information regarding any public comments received. Each response to a public comment is identified in bold and italics below.

#### 5. Summary of public comments

Three public comments were received during the January 14, 2016 Lincoln, NE public meeting.

***Comment 1:*** The following is a summary of an oral comment given by Southeast Nebraska Development District Executive Director Dave Taladay:

Mr. Taladay commended the staff of the Nebraska Department of Economic Development for setting logical application due dates.

***Thank you for your comments. We appreciate your participation in the 2016 Annual Action Plan process and will take your comments into consideration.***

***Comment 2:*** The following is a summary of an oral comment given by Southeast Nebraska Economic Development District (SEND) Executive Director Dave Taladay:

In the Economic Development program category scoring criteria, there are points given for being an Economic Development Certified community, but not for being a DED Leadership Community. SENDD would like the Department to consider giving points in this program category for communities that are DED Leadership Communities.

***Thank you for your comments regarding DED Leadership Communities and making them eligible for scoring additional points in the Economic Development Category. We appreciate your participation in the 2016 Annual Action Plan process. The Department will add DED Leadership Communities as eligible to receive 5 points in the scoring process for Economic Development applications.***

**Comment 3:** The following is a summary of an oral comment given by Central Nebraska Economic Development District (CNEDD) Executive Director Judy Petersen:

In the Economic Development program category scoring criteria, there are points given for being an Economic Development Certified community, but not for being a DED Leadership Community. CNEDD would like the Department to consider giving points in this program category for communities that are DED Leadership Communities.

***Thank you for your comments regarding DED Leadership Communities and making them eligible for scoring additional points in the Economic Development Category. We appreciate your participation in the 2016 Annual Action Plan process. The Department will add DED Leadership Communities as eligible to receive 5 points in the scoring process for Economic Development applications.***

**6. Summary of comments or views not accepted and the reasons for not accepting them**

There were no comments that were not accepted.

**7. Summary**

The Nebraska Department of Economic Development will be the lead agency and the Nebraska

Department of Health and Human Services will be the partner agency for the 2016 Annual Action Plan.



**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

<b>Table 1 Responsible Agencies</b>		
<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
<b>Lead Agency CDBG and HOME</b>	State of Nebraska, Department of Economic Development	Nebraska Department of Economic Development/Housing and Community Development Division
<b>ESG Program</b>	State of Nebraska, Department of Health and	Nebraska Department of Health and Human Services/Division of Children and Family
<b>HOPWA Program</b>	State of Nebraska, Department of Health and	Nebraska Department of Health and Human Services/Division of Public Health

**Narrative**

The Annual Action Plan was developed in partnership between the Nebraska Department of Economic Development (DED) and the Nebraska Department of Health and Human Services (DHHS). The CDBG and HOME Programs are administered by DED within the Housing and Community Development Division. The ESG Program is administered by DHHS within the Division of Children and Family Services. The HOPWA Program is administered by DHHS within the Division of Public Health.

**Consolidated Plan Public Contact Information**

Brian Gaskill  
Deputy Director, Housing and Community Development Division  
Nebraska Department of Economic Development  
301 Centennial Mall South, PO Box 94666  
Lincoln, NE 68509-4666  
(402) 471-2280  
(800) 426-6505  
FAX (402) 471-8405  
Email: [brian.gaskill@nebraska.gov](mailto:brian.gaskill@nebraska.gov)  
Agency Website: <http://www.neded.org>

Nikki Swope, Nebraska Homeless Assistance Program Coordinator

Division of Children and Family Services  
Nebraska Department of Health and Human Services  
301 Centennial Mall South, PO Box 95026  
Lincoln, NE 68509-5026 (402) 471-9258  
Email: [nikki.swope@nebraska.gov](mailto:nikki.swope@nebraska.gov)  
Agency Website: <http://www.dhhs.ne.gov>

Lois Versaw, HOPWA Program Manager  
Division of Public Health  
Nebraska Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68509-5026  
(402) 471-0164  
Email: [lois.versaw@nebraska.gov](mailto:lois.versaw@nebraska.gov)  
Agency Website: <http://www.dhhs.ne.gov>

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

DED and DHHS consulted with local governments, State agencies, non-profit organizations, and other members of the public on the preparation of the 2016 Annual Action Plan.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

The State worked at enhancing coordination between housing and service providers throughout the state. This was completed through consultation efforts made by DED and DHHS throughout the development of the Annual Action Plan. Some efforts for coordination included meeting with housing providers that included for-profit developers, members of the regional Development Districts; non-profit organizations; and community members throughout the state. In addition, consultation with the behavioral health and mental health advisory committee was conducted. DED routinely attends the regularly scheduled meetings of this organization in order to obtain a better understanding of what some of the issues and needs are of the mental health and substance abuse service providers.

The Nebraska Commission on Housing and Homelessness (NCHH) was created in 1994 and serves to promote public and private coordination and collaboration, develop policies and program recommendations that address affordable housing and homelessness and at risk of homeless issues, perform as the advisory body for the DED and the Nebraska Homeless Assistance Program (NHAP). The NHAP includes funding from both ESG and the State's Homeless Shelter Assistance Trust Fund (HSATF). The NCHH, in coordination with DED and DHHS, support a statewide Continuum of Care (CoC), evaluate unmet needs, and provide effective solutions to build the services and affordable housing needed for healthy viable Nebraskan communities.

Membership for the advisory body is comprised of governor-appointed representatives from public and assisted housing providers, local, regional and state officials, housing and homeless providers, community leaders, and other interested service agencies. CDBG, HOME, ESG and HOPWA program staff are actively engaged in Commission meetings. Other associations, public and private agencies and business in the state related to low income populations and services, housing, and development are also invited to attend and report at NCHH meetings. The Commission meets regularly to discuss, plan, and make recommendations for coordination and cooperation of the supports and services needed to service homeless persons and persons at risk of homelessness.

In addition, the state's updated 10 Year Plan to Prevent and End Homelessness was unveiled in January of 2015. This plan serves as a roadmap for achieving four overarching goals which include:

end chronic homelessness; end veteran homelessness; end child, family, and youth homelessness; and finally, set a path to reducing overall homelessness. The Plan will drive increased leadership, collaboration and civic engagement across multiple agencies, groups, and organizations such as public and private housing, disability, health, financial, employment, elderly, child welfare, victims of domestic violence, and other for profit and nonprofit service agencies.

Additional efforts at consultation are noted below.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

The purpose of the NHAP is to provide an overall “Continuum of Care” approach to address the needs of people who are homeless or are at risk of homelessness. To support the “Continuum of Care” approach, the Continuum of Care System is utilized. Nebraska has 2 ESG entitlement cities, which comprise the Region 6 Lincoln CoC and the Region 7 Omaha CoC, with the remaining local 5 regions collectively forming the Balance of State (BoS) CoC, whereas the entire state is referred to as the Continuum of Care System. As NHAP provides federal funds to the BoS CoC and HSATF dollars statewide, NHAP coordinates with the entire Continuum of Care System. The State coordinates directly with the Continuum of Care System on an ongoing basis by participating in Continuum meetings, leading strategic planning efforts, and supporting the Homeless Management Information system (HMIS) and CoC funding priorities.

To effectively help facilitate a cohesive statewide CoC network, NCHH established a State Continuum of Care Committee which includes representation from governmental, public, and private entities. All seven local CoC regions have representation on the State CoC Committee. The purpose of the State CoC Committee is to support the objectives in addressing the issues of the NCHH. To accomplish this, the following objectives are observed:

- 1) Focus attention of the need of persons who are homeless and persons at risk of homelessness;
- 2) Propose solutions to the needs of persons who are homeless and persons at risk of homelessness;
- 3) Encourage and support continuity, coordination, and cooperation at the State level among the State agencies that deliver programs and services to persons who are homeless and persons at risk of homelessness;
- 4) Coordinate the development of a statewide comprehensive plan;
- 5) Coordinate with the NCHH in developing recommendations for programs and/or services that involve housing the persons who are homeless persons at risk of homelessness;
- 6) Serve as an advisory body to the NHAP.

The State CoC Committee is intricately involved in the ongoing planning, coordination and implementation of program and/or services that involve housing and people who are homeless and at risk of homelessness. To accomplish these ongoing effects, quarterly meetings via conference call are conducted. Although NHAP is not a member of the NCHH or its State Continuum of Care Committee NHAP is attend the meetings to share information and seek input in effort to coordinate in meeting the needs of the populations served by ESG.

Under the guidance and direction of NCHH, the State Continuum of Care Committee is charged with implementing the Opening Doors: Nebraska – 10 Year Plan to Prevent and End Homelessness. The State Continuum of Care Committee will host regularly scheduled quarterly meetings in which diverse stakeholders will be represented, including but not limited to: State partners, Federal partners, CoC providers, consumers, and advocates. The 10 Year Plan is considered a living document and it will reflect the actual and evolving reality of funding, economics, and society.

As previously mentioned, two of the local 7 CoC regions are classified as entitlement regions. The remaining five CoC regions are identified as rural, and in 2010 were collectively grouped as a representative body for regions 1-5, defined as the Balance of State (BoS) CoC. The goal of the BoS CoC is to coordinate the efforts to prevent and end homelessness in rural Nebraska and does not include the entitlement cities of Omaha and Lincoln. For the BoS CoC Governing Board membership, each region elects two representatives. The BoS CoC, in conjunction with NHAP, meet monthly via conference call to discuss the planning, coordinating, and prioritization for the supports and services needed to serve and support the homeless and at risk of homelessness population in rural Nebraska.

The BoS CoC is comprised of five distinct local regional CoCs which include: Region 1, Panhandle, (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, Deuel counties); Region 2, North Central, (Cherry, Keya Paha, Boyd, Brown, Rick, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, Hamilton counties); Region 3, Southwest, (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Red Willow, Furnas, Harlan, Franklin counties); Region 4, Southeast, (Polk, Butler, Saunders, Sarpy, York, Seward, Lancaster, [The City of Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, Richardson counties); Region 5, Northeast, (Knox, Cedar, Dixon, Dakota, Antelope, pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, Douglas counties [The City of Omaha excluded]).

At the regional CoC level, in order to ensure that the CoC enables widespread participation and collaboration, the BoS CoC serves as the Governing Board for the five CoC regions in rural Nebraska. Each of the five rural regions host a monthly in person regional meeting to coordinate and plan how services and resources can best meet the needs of the homeless and at risk of homelessness within the region.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

State ESG funds are allocated through the State's unified funding process. The funding process helps ensure an equitable distribution of funds throughout the entire state. The allocation formula was developed through input from the NCHH, and is periodically reviewed and revised as appropriate. ESG funding distribution occurs through a competitive grant process in which allocation recommendations from the grant review team are provided. The review team is composed of representatives from the CoC regions, the NCHH, and the Department of Health and Human Services, and other collaborating departments.

The NHAP works to involve input with the Continuum of Care System in the NHAP funding process. The application process for ESG and HSATF dollars requires applicants obtain approval by their respective local regional CoC group to verify the CoC has determined the proposed applicant's services are congruent with gaps in services and/or the needs of the homeless and those at risk of homeless in that region of the state. NHAP also actively seeks input from the CoC System in pursuing different approaches to allocating funds across the state. An example of this input was NHAP consulting with the BoS in looking at options to best utilize funds for Rapid Rehousing and Homeless Prevention services. NHAP had proposed having one main provider for such services in each local region but the BoS, through each local regional CoC did not support the idea so NHAP did not pursue such change at that time. NHAP will continue to consult with the NCHH, the State CoC Committee and the CoC System related to NHAP allocations of funds across the state.

The State consults with the BoS CoC on performance standards and outcome evaluations through monthly conference calls which NHAP regularly participates in. During the calls, the focus is to work on gathering and analyzing information to determine the needs of Nebraskans experiencing homelessness, plan and implement strategic responses, develop performance standards as well as evaluating outcomes, and identify and implement endeavors to improve the quality and effectiveness of strategies to prevent and end homelessness. Various work groups developed by the BoS CoC address current and future needs, including the HEARTH Implementation Committee, HMIS subcommittee, the New/Project Renewal Performance Evaluation subcommittee and the Most Vulnerable Review Team.

The HEARTH Implementation Committee was created to: assist the BoS CoC in moving forward with updating the ESG Written Standards for the BoS CoC; address, develop, and implement the Coordinated Assessment System; and respond to HUD's policies on prioritization of chronic homeless. On June 10, 2015, an updated Written Standards for ESG/CoC Service Delivery was adopted. A copy is posted on the NHAP website at:

[http://dhhs.ne.gov/children\\_family\\_services/Documents/NHAP \(ESG and HSATF\) Program Standards.pdf](http://dhhs.ne.gov/children_family_services/Documents/NHAP_(ESG_and_HSATF)_Program_Standards.pdf). The Homeless Management Information System (HMIS) subcommittee is a standing committee under the BoS CoC designed to address training, technical support, and data quality.

The New Project/Renewal Performance Evaluation subcommittee is another subcommittee under the BoS CoC. The focus of the New Project/Renewal Performance Evaluation subcommittee is to establish priorities and develop a process for the use of new CoC resources, assess the performance of funded programs, and make recommendations to the CoC on the reallocation of CoC resources.

The State also consults CoC System of Care on the development of HMIS policies and procedures as well as funding through multiple avenues. In August of 2014, a two day HMIS training was conducted, to bring together home and housing service providers, housing and homeless service funders, and HMIS providers from across the state to discuss and learn about the development of Nebraska’s Coordinated Access System for the homeless. One of the significant outcomes from the training lead to adopting the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-

**2. Agencies, groups, organizations and others who participated in the process and consultations**

<b>Table 2 Agencies, groups, organizations who participated</b>			
<b>Agency/Group/ Organization</b>	<b>Agency/Group/ Organization Type</b>	<b>What section of the Plan was addressed by Consultation?</b>	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>
Region 1 Panhandle	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 2 North Central	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 3 Southwest	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 4 Southeast	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls

Region 5 Northeast	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
PATH	DHHS Behavior Health	Homelessness Strategy	Consulted through Meeting in-person, E-mail and Phone Calls
State CoC	CoC Stakeholders and Human Services Professionals	Homelessness Strategy	Consulted through Phone calls
Association of Home Builders	Non-Profit Organization	All Sections	Consulted through Email
CDBG Certified Administrators	Various	All Sections	Consulted through Email, through phone calls, and in person
Nebraska Commission on Housing and Homelessness	Commission	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Community Action Agencies	Social Services and Non-Profit Organizations	All Sections	Consulted through Email
Nebraska County Clerks	Government	All Sections	Consulted through Email
Nebraska Economic Developers Association	Professional Association	All Sections	Consulted through Email, through phone calls, and in person
Nebraska Housing Authorities	Housing Authorities	All Sections	Consulted through Email
Nebraska Housing Developers Association	Professional Association	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska League of Municipalities	Non-Profit Organization	All Sections	Consulted through Email
Nebraska Regional Officials Council (NROC)	Council	All Sections	Consulted through Email
First Class Nebraska Cities	Government	All Sections	Consulted through Email, through phone calls, and in



Second Class Nebraska Cities	Government	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Villages	Government	All Sections	Consulted through Email, through phone calls, and in person.
Non-Profit organizations	Various	All Sections	Consulted through Email, through phone calls, and in person.
For Profit Developers	Various	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Investment Finance Authority (NIFA)	Quasi-Government	All Sections	Consulted through Email, through phone calls, and in person.
Community Housing Development Organizations (CHDOs)	Various	All Sections	Consulted through Email, through phone calls, and in person.

**Identify any Agency Types not consulted and provide rationale for not consulting**

When developing the Consolidated Plan, the State consulted with all agencies that the State felt would provide relevant information for the Plan. The state of Nebraska has over 100 public housing agencies and does not have one agency that oversees all of these agencies. Contacting each agency individually would not have been feasible, but the State attempted to provide as broad an outreach as possible through the distribution of information through multiple methods.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska, 2015-2025	Nebraska Commission on Housing and Homelessness	Various homeless assistance providers, in consultation with CoCs; consultants; federal and state partners; housing developers; and other interested parties developed the 10 Year Plan than can be utilized in coordination with the State’s Consolidated Plan and Annual Action Plan in helping coordinate efforts, funding, and priorities among different programs aimed at ending homelessness.
City of Omaha—Comprehensive Plan	City of Omaha	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.
City of Lincoln—Comprehensive Plan	City of Lincoln	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.
City of Bellevue—Comprehensive Plan	City of Bellevue	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Grand Island- Comprehensive Plan	City of Grand Island	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.

**Table 1 - Other local / regional / federal planning efforts**

**Narrative**

The information above provides a description of the coordination and consultation efforts made by the State.

**AP-12 Participation - 91.115, 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

Citizen participation is an essential component of a statewide planning effort. Nebraska strongly encourages public participation throughout the consolidated planning process.

**OPPORTUNITIES FOR PUBLIC PARTICIPATION**

The importance of public participation (including consultation with advisory groups) in the development of the AAP cannot be overstated. Each year DED must update objectives and describe the State's method of distribution of funds to effectively utilize HUD assistance. Public hearings are held to obtain citizen comments on the AAP. The hearings are held at times and locations considered convenient to potential and actual beneficiaries, and with accommodations for persons with disabilities. Opinions from the public regarding the best time and date for such hearings are welcome.

Citizens and other interested parties are given an opportunity for reasonable and timely access to information and records relating to the AAP, and the use of assistance under the programs it covers. Copies of the 2016 Annual Action Plan, the State's 2015-2019 Consolidated Plan, and other related information may be obtained by accessing the Department's website at: <http://www.neded.org> or by contacting a staff member at one of the numbers listed at the beginning of this document.

## Citizen Participation Outreach

### 1. Public Meeting

**Target of Outreach:** Non-Targeted/broad community

**Summary of response/attendance:** Public meetings, covering geographic areas throughout the state were conducted at the following locations: January 14, 2016; Lincoln, NE: 8 in attendance; Columbus, NE: 4 in attendance; Wayne, NE: 5 in attendance. January 19, 2016; Lincoln, NE: 6 in attendance; Grand Island, NE: 5 in attendance; Norfolk, NE: 5 in attendance.

**Summary of Comments Received:** 3 public comments were received during the January 14, 2016 Lincoln, NE public meeting. Comment 1: The following is a summary of an oral comment given by Southeast Nebraska Development District Executive Director Dave Taladay:

Mr. Taladay commended the staff of the Nebraska Department of Economic Development for setting logical application due dates.

Thank you for your comments. We appreciate your participation in the 2016 Annual Action Plan process and will take your comments into consideration.

Comment 2: The following is a summary of an oral comment given by Southeast Nebraska Economic Development District (SENDD) Executive Director Dave Taladay:

In the Economic Development program category scoring criteria, there are points given for being an Economic Development Certified community, but not for being a DED Leadership Community. SENDD would like the Department to consider giving points in this program category for communities that are DED Leadership Communities.

Thank you for your comments regarding DED Leadership Communities and making them eligible for scoring additional points in the Economic Development Category. We appreciate your participation in the 2016 Annual Action Plan process. The Department will add DED Leadership Communities as eligible to receive 5 points in the scoring process for Economic Development applications.

Comment 3: The following is a summary of an oral comment given by Central Nebraska Economic Development District (CNEDD) Executive Director Judy Petersen:

In the Economic Development program category scoring criteria, there are points given for being an Economic Development Certified community, but not for being a DED Leadership Community. CNEDD would like the Department to consider giving points in this program category for communities that are DED Leadership Communities.

Thank you for your comments regarding DED Leadership Communities and making them eligible for scoring additional points in the Economic Development Category. We appreciate your participation in the 2016 Annual Action Plan process. The Department will add DED Leadership Communities as eligible to receive 5 points in the scoring process for Economic Development applications.

**Summary of comments not accepted and reasons:** No comments were received that were not accepted.

**URL (if applicable):** [www.neded.org/aap](http://www.neded.org/aap)

2. Newspaper Ad

**Target of Outreach:** Non-targeted/broad community

**Summary of response/attendance:** Public notices of the public comment period were placed in the following Nebraska publications: Grand Island Independent (Grand Island, NE), Star Herald (Scottsbluff, NE), Kearney HUB (Kearney, NE), Lincoln Journal Star (Lincoln, NE), Norfolk Daily News (Norfolk, NE), Chadron Record (Chadron, NE), North Platte Telegraph (North Platte, NE), Beatrice Daily Sun (Beatrice, NE).

**Summary of comments received:** No comments were received via this mode of outreach.

**Summary of comments not accepted and reasons:** No comments were received that were not accepted.

3. Internet Outreach

**Target of Outreach:** Non-targeted/broad community

**Summary of response/attendance:** The Notice of Public Comment Period was posted on NEDED's website, and sent out to the following groups via email: Housing Authorities, Housing Developers, Nebraska Economic Developers Association, Nebraska County Clerks, Nebraska First Class Cities, Nebraska Second Class Cities, Nebraska Villages, Nebraska State Government Officials, Community Action Agencies, CDBG Certified Administrators, the Association of Home Builders, and the League of Municipalities.

**Summary of Comments Received:** No comments were received via this mode of outreach.

**Summary of Comments not accepted and reasons:** No comments were received via this mode of outreach.

4. Library Outreach

**Target of Outreach:** Non-targeted/broad community

**Summary of Response/attendance:** To increase opportunities for public participation and public comment, the Proposed Plans were sent to 16 libraries throughout Nebraska that included: Alliance Public Library (Alliance, NE), Auburn Memorial Library (Auburn, NE), Bennett Martin Public Library (Lincoln, NE), Central City Public Library (Central City, NE), Chadron Public Library (Chadron, NE), Garfield County Library (Burwell, NE), Goodall City Library (Ogallala, NE), Jensen Memorial Library (Minden, NE), Lexington Public Library (Lexington, NE), McCook Public Library (McCook, NE), Scottsbluff Public Library (Scottsbluff, NE), Sidney Public Library (Sidney, NE), Thomas County Library (Thedford, NE), Valentine Public Library (Valentine, NE), Wayne Public Library (Wayne, NE), W. Dale Clark Library (Omaha, NE).

**Summary of Comments Received:** No comments were received via this mode of outreach.

**Summary of Comments not accepted and reasons:** No comments were received via this mode of outreach.

**Expected Resources**

**AP-15 Expected Resources – 91.320(c)(1,2)**

**Introduction**

The following table describes the anticipated resources to be allocated throughout Nebraska broken down by program type. These anticipated resource projections are made for FY 2016 and the remaining three years of the Consolidated Plan.

Nebraska anticipates receiving the following amount in FY 2016:

- CDBG: \$9,994,180
- HOME: \$3,023,400
- ESG: \$941,814
- HOPWA: \$370,412

In addition, Nebraska anticipates utilizing the following additional State resources in FY 2016:

- NAHTF: \$10 million
- HSATF: \$3 million

Additional information will be identified within the Annual Action Plan as well as supplemental information will be provided regarding the annual allocation of resources. This additional information will be provided within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$9,944,180	\$2,000,000	\$11,464,002	\$23,408,182	\$36,000,000	See below

**Table 2 - Expected Resources – Priority Table**

**Narrative Description:**

CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and sub-recipients may also receive administration funds. Additional funds will be provided by DED as match to the CDBG allocation. This amount will fulfill the one to one matching requirement of the CDBG Program.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	Public Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$3,023,400	\$0	\$3,002,167	\$6,025,567	\$9,000,000	See below

**Table 3 - Expected Resources – Priority Table**

**Narrative Description:**

HOME resources are primarily used for rental development and acquisition, rehab, and resale activities. State sub-recipients of resources may also receive administrative funds. A portion of NAHTF resources will be committed as HOME Match in order to meet the 25% HOME Match requirement for non-administrative funds. No less than 15% of resources will be utilized for CHDO-eligible activities as is required.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	Public Federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$370,412	\$0	\$362,364	\$732,776	\$1,080,000	See below

**Table 4 - Expected Resources – Priority Table**

**Narrative Description:**

The majority of HOPWA resources are matched with resources from the Ryan White Part B Program and from Community Action Agencies. A portion of HOPWA funds will be used for administrative expenses provided to the Nebraska AIDS Project, the HOPWA Program Sponsor.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	Public Federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$941,814	\$0	\$948,440	\$1,890,254	\$2,820,000	See below

**Table 5 - Expected Resources – Priority Table**

**Narrative Description:**

Nebraska Homeless Assistance Program (NHAP) funding consists of ESG funds and HSATF. HSATF dollars serve as the HUD-required one-to-one match for ESG dollars at the state level, so activates funded with HSATF dollars must also meet federal ESG requirements.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund	Public State	Acquisition Admin and Planning Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$10,000,000	\$0	\$9,000,000	\$19,000,000	\$27,000,000	See below

**Table 6 - Expected Resources – Priority Table**

**Narrative Description:**

Nebraska Affordable Housing Trust Fund (NAHTF) resources will be utilized to further housing programs throughout the state. A portion of the NAHTF resources will be used as match for the HOME Program funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other (HSATF)	Public State	Financial Assistance Overnight shelter Permanent housing in facilities Permanent housing placement Public Services Rapid re-housing (rental assistance) Rental Assistance Services Short term or transitional housing facilities Supportive services Transitional housing	\$3,000,000	\$0	\$1,900,000	\$4,900,000	\$9,000,000	See below

**Table 7 - Expected Resources – Priority Table**

**Narrative Description:**

Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities. A portion of these funds will be utilized as match for the ESG Program.

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

CDBG funds will be leveraged with other local resources within the Comprehensive Development, Public Works, Planning, and Downtown Revitalization categories. DED funds will be utilized in order to meet the matching requirements of the CDBG Program, and this will include matching funds for the CDBG administration allocation which will fulfill the one for one matching requirements of the CDBG Program.

HOME funds will be leveraged with other resources including private mortgages, low income housing tax credits, private equity, and local resources. NAHTF resources will be committed as HOME Match in order to meet the 25% HOME Match requirement for non-administration funds.

In regard to the ESG Program, the Nebraska Homeless Assistance Program is a grant program that is comprised of the Nebraska Homeless Assistance Trust Fund (HSATF) and the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG). The HSATF is state funding that is based on a twenty-five cent set-aside on each \$1,000.00 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales. Annually HSATF provides approximately 1.9 million dollars to the Nebraska Homeless Assistance Program. HSATF dollars serve as the HUD-required one-to-one match for ESG dollars, which well exceeds the match requirement. Another resource utilized by some ESG subrecipients who provide transitional housing and/or supportive services is through the CoC Program (SHP). Lastly, a significant amount of local NHAP subrecipients contribute additional resources such as Community Services Block Grant, local foundations, and United Way to the homeless program they operate.

For the HOPWA Program, The majority of leveraging of funds for HOPWA is from the Ryan White Part B program and from Community Action Agencies across the state. It is not known whether the funds from the Community Action Agencies are private, state or local. Assistance that HOPWA clients receive from outside resources are entered into the Provide Case Management software program to support completion of the Consolidated Annual Performance and Evaluation Report (CAPER).

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Not applicable.

**Discussion**

See above for additional information.

**Annual Goals and Objectives**

**AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)**

**Goals Summary Information**

<b>Sort Order</b>	<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
<b>1</b>	Housing Program	2015	2019	Affordable Housing	Statewide	Housing Priority Need	CDBG: \$1,900,000 HOME: \$2,721,060 Housing Trust Fund: \$10,000,000	Rental units constructed: 50 Household Housing Unit Homeowner Housing Added: 25 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit
<b>2</b>	Community Development Program	2015	2019	Non-Housing Community Development	Statewide	Community Development Priority Need	CDBG: \$5,595,855	Public Facility or Infrastructure Low/Moderate Income Housing Benefit: 55,500 Persons Assisted Facade treatment/business building rehabilitation: 35 Business
<b>3</b>	Economic Development Program	2015	2019	Non-Housing Community Development	Statewide	Economic Development Priority Need	CDBG: \$2,050,000	Jobs created/retained: 100 Jobs Businesses assisted: 7 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Nebraska Homeless Assistance Program (NHAP)	2015	2019	Homeless	Statewide	Homeless Services Priority Need	ESG: \$871,178 HSATF: \$2,700,000	Tenant-based rental assistance / Rapid Rehousing: 452 Households Assisted Homeless Person Overnight Shelter: 8,500 Persons Assisted Homelessness Prevention: 3,000 Persons Assisted
5	HOPWA Program	2015	2019	Homeless Non-Homeless Special Needs	Statewide	HOPWA Services Priority Need	HOPWA: \$359,300	Tenant-based rental assistance / Rapid Rehousing: 15 Households Assisted Other: 45 Other

**Table 8 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	Housing Program
	<b>Goal Description</b>	Within the Nebraska Affordable Housing Program resources will be provided that primarily benefit low to moderate income persons through affordable housing activities. These activities are completed through resources from CDBG, HOME, and the NAHTF.
2	<b>Goal Name</b>	Community Development Program
	<b>Goal Description</b>	This Program includes planning; public works; water/waste water; comprehensive development; and downtown revitalization activities. A wide variety of activities are funded that primarily serve LMI persons throughout the state.

<b>3</b>	<b>Goal Name</b>	Economic Development Program
	<b>Goal Description</b>	The primary goals of the Program include: job creation and expansion; and tourism development. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
<b>4</b>	<b>Goal Name</b>	Nebraska Homeless Assistance Program (NHAP)
	<b>Goal Description</b>	For Rapid Rehousing-Work toward securing permanent housing options for persons who are homeless. For Homeless Services-Plan on ending homelessness for Nebraskans by providing appropriate shelter and/or housing to people who are homeless and/or at risk of becoming homeless. For Homelessness Prevention-Assure needed services are provided to people who are at risk of becoming homeless.
<b>5</b>	<b>Goal Name</b>	HOPWA Program
	<b>Goal Description</b>	The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.

**Table 9 – Goal Descriptions**

**AP-21 HOPWA Annual Goal - 91.320(c)(3)&(e)**

**Narrative (Optional):**

The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.

The activities in the "Other" section below include: Short-term Rent/Mortgage Assistance, Permanent Housing Replacement and Supportive Services.



## AP-25 Allocation Priorities – 91.320(d)

### Introduction

The following are allocation priorities for CDBG, HOME, ESG, and HOPWA. In addition allocation priorities for NAHTF and HSATF resources.

### Funding Allocation Priorities

	Housing Program (%)	Community Development Program (%)	Economic Development Program (%)	Nebraska Homeless Assistance Program (NHAP) (%)	HOPWA Program (%)	Total (%)
CDBG	20	60	20	0	0	100
HOME	100	0	0	0	0	100
HOPWA	0	0	0	0	100	100
ESG	0	0	0	100	0	100
Housing Trust Fund	100	0	0	0	0	100
Other HSATF	0	0	0	100	0	100

**Table 10 – Funding Allocation Priorities**

### Reason for Allocation Priorities

Through experience and consultation, the allocation priorities for CDBG and HOME have been identified as noted above. The above amounts are approximations based on the percentages of resources that are used for various programs. Note that the above table does not reflect admin expenses, but does include the \$2 million in CDBG program income that is expected to be used during the 2016 Program Year.

In regard to the ESG Program, the NHAP does not currently allocate funds based on priority needs but rather focuses on allocating funds, in consultation with the BoS CoC and regional CoC to ensure the statewide provision of ESG services statewide so all homeless and near homeless Nebraskans have access in or near their communities. NHAP hopes to gather enough valid and reliable data in the coming years to start incorporating priority needs in to the application and funding allocation process.

In regard to HOPWA, Nebraska’s HOPWA Program budget has funds allocated to budget categories

needed in order to serve priority populations (homeless/chronically homeless). The HOPWA Program continues to seek additional funds to expand tenant-based rental assistance and to increase client's hands-on access to employment/job training services. Intensive case management is an important component when serving the priority populations.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The State's Housing Priority Need includes the need to respond to regional needs for affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. This Priority Need includes 4 Objectives that have been developed in order to meet the Housing Priority and include:

- Promote additional affordable rental housing and preservation of affordable rental housing in selected markets.
- Promote housing preservation by improving the quality of Nebraska's existing affordable housing.
- Promote additional households into homeownership by expanding affordable homeownership opportunities.
- Enhance statewide understanding of fair housing law through outreach and education.

The Nebraska Affordable Housing Program will utilize CDBG, HOME, and NAHTF resources in order to address the Priority Need mentioned above as well as in order to address those specific objectives associated with the priority need.

The Community Development Priority Need has been developed in order to strengthen Nebraska communities through community development programs and services in order to provide a stable platform for economic development. This Priority Need includes 3 primary objectives that include:

- Improve the quality of water and wastewater in Nebraska and assist in developing and financing appropriate infrastructure and facilities for communities and counties that have planned and set priorities for long-term development;
- Invest in quality projects that are identified in a formal community development plan; compliment or support related community investments; leverage maximum private and/or other investment; and have reasonable plans for long-term operation and maintenance; and
- Increase capacity, efficiency, and effectiveness of local planning efforts resulting in longterm development.

The Community Development Program will utilize CDBG resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need.

The Economic Development Priority Need includes the need to foster the competitiveness of Nebraska's business and industrial sector, and as a result, assist in the economic development of Nebraska's communities and people. This Priority Need includes 3 primary objectives that include:

- Promote the retention and expansion of existing businesses in Nebraska, and the startup of new businesses in Nebraska, and the immigration of out-of-state businesses relocating or expanding into Nebraska.
- Invest in public facilities and improvement activities that make economic opportunities available to low and moderate income persons.
- Invest in effective and affordable tourist attractions (for profit or nonprofit) in quality communities that will result in visitor spending, generate jobs, and promote long-term economic development.

The Economic Development Program will utilize CDBG resources in order to address the Priority Needs mentioned above and to address those specific objectives associated with the priority need.

The Homeless Services Priority Need has been developed in order to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at risk of becoming homeless by distributing Emergency Solutions Grant funds and Homeless Shelter Assistance Trust Fund resources. This Priority Need includes 2 primary objectives that include:

- Provide appropriate shelter and/or housing to people who are homeless or at risk of becoming homeless; and
- Provide needed services to people who are homeless or at risk of becoming homeless

The Nebraska Homeless Assistance Program will utilize ESG funds and HSATF resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need.

In addition, addressing homelessness in Nebraska is a critical issue. NHAP funds are allocated as described above in the “Reason for Allocation Priorities”. The Nebraska Homeless Assistance Program combines Homeless Shelter Assistance Trust Fund Resource with Emergency Solutions Grant funding. NHAP will use the combined resources through HSATF and ESG for all eligible services within the limitations set by ESG regulations and guided by local CoC direction, to include the following services: Street Outreach, Emergency Shelters, Homelessness Prevention, Rapid Re-Housing, HMIS, and administrative activities.

The HOPWA Services Priority Need is intended to ensure appropriate emergency and/or permanent housing and services for people who are homeless or at imminent risk of becoming homeless by distributing funds to a project sponsor in order to meet the needs of persons living with HIV/AIDS. This Priority Need includes one primary objective that includes:  
Provide housing assistance and related supportive services to low income persons with HIV/AIDS and their families and enable low income persons with HIV/AIDS to achieve stability in housing, reduce risks of homelessness, and increase access to health care.

The HOPWA Services Program will utilize HOPWA resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need. In addition, Nebraska’s HOPWA Program has identified the majority of homeless/chronically homeless clients have medical concerns and/or are not employed. Placing individuals into housing and

connecting them to healthcare are the first steps when services have been established. Utilizing Permanent Housing Placement and Tenant-Based Rental Assistance has proven to be the best use of HOPWA resources if the person is not eligible for other assistance.

**AP-30 Methods of Distribution – 91.320(d)&(k)**

**Introduction**

The Methods of Distribution will be identified for four federal resources which include CDBG, HOME, ESG, and HOPWA. In addition, a brief discussion will be provided regarding two State programs related to the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF).

Within the IDIS eCon Planning Suite System, the Distribution Methods by State Program Table has been generated (See below). For purposes of providing more detailed information the following table has been supplemented and reformatted in order to provide the public with a clearer picture of the State’s methods of distribution.

**Distribution Methods**

**Table 11 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	
	<b>Funding Sources:</b>	
	<b>Describe the state program addressed by the Method of Distribution.</b>	
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	
	<b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b>	
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	

	<p><b>Describe how resources will be allocated among funding categories.</b></p>	
	<p><b>Describe threshold factors and grant size limits.</b></p>	
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	

**Discussion**

**Federal Programs**

**Community Development Block Grant (CDBG)**

CDBG funds will be used for several activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. Projects are funded in order to meet at least one of three CDBG National Objectives that include: (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; and (3) meet urgent community development needs. The State annually certifies that not less than 70% of the aggregate funds received during a 3 year period (as identified to HUD) shall be used for activities benefitting low and moderate income (LMI) persons.

CDBG funds are not specifically targeted to areas of minority concentration, but are distributed throughout the state’s non-entitlement areas (all areas outside of Omaha, Lincoln, and Bellevue) targeted for activities that serve LMI persons. Since projects funded with CDBG resources typically provide a community-wide benefit, it can be assumed that minority groups benefit equally in the same proportion as they occur in the general population.

The State Programs set forth within this Method of Distribution of the current CDBG allocation attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments. The State is allowed \$100,000 plus 3% of the State grant for administration and technical assistance in accordance with HUD regulations. The State is also allowed 3% of the program income received by units of general local government (whether retained by the unit of general local government or paid to the State) and funds reallocated by HUD to the State.

To achieve the most effective and efficient use of CDBG funds, DED may, at its discretion, use categorical adjustments. A categorical adjustment allows DED to reserve up to 10% of the total CDBG allocation for use as needed among categories. An adjustment of more than 10% of the total allocation, or the creation or elimination of a category, will be considered a substantial amendment to the AAP, and would require further steps as identified within the Citizen Participation Plan section of the Consolidated Plan. Adjustments may be made for remaining balances within a Category within the last 3 months following a 12 month Program Year in order to meet the HUD Timely Distribution requirement which requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month time frame.

For purposes of the Consolidated Plan and the Annual Action Plan, the overall CDBG Program includes activities within the Housing Priority Need, the Community Development Priority Need, and the Economic Development Priority Need.

A description and details of each State Program will be identified below.

**State Program Name:** CDBG Owner Occupied Rehabilitation (CDBG OOR)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Housing Priority Need, CDBG funds will be utilized for owner occupied rehabilitation activities and made available to LMI persons at or below 80% of the Area Median Income.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The CDBG OOR Program will be implemented by the Nebraska Affordable Housing Program (NAHP) within DED. The NAHP will utilize a separate application cycle titled the "NAHP CDBG Owner Occupied Rehabilitation Cycle". CDBG funds will only be available for applicants that are CDBG-eligible units of general local government.

Specific application questions will be developed for the CDBG OOR Cycle and will include a section for project need; project impact; project readiness; community support; and match. In addition, a section for the Municipal Equalization Fund (MEF) score which will be calculated for each applicant and added to the total application score and an additional section for bonus points.

The total points available for any given application will be 1,000 points. Applicants will be required to obtain a minimum score within designated sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in the Application not being funded during the 2016 CDBG OOR Cycle.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. The Housing Management activity cannot exceed 10% of the amount of CDBG funds awarded.

Below is the Scoring Criteria Matrix that will be utilized within the CDBG OOR Program Category for applications.

Additional information is available within the Appendix.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Match	MEF	Bonus Points	<b>TOTAL</b>
250	250	200	100	50	100	50	<b>1,000 points</b>
100 min	100 min	100 min	50 min	0	0	NA	<b>350 minimum</b>

Specific Questions regarding the application criteria will be made available within the CDBG OOR Cycle Application Guidelines.

Overall, the information provided above is a summary of the criteria that will be utilized within the CDBG OOR Cycle.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG OOR Cycle Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>.

**Describe how resources will be allocated among funding categories.**

\$1,900,000 million in CDBG resources will be available for the CDBG OOR Program.

**Describe threshold factors and grant size limits.**

The threshold factors within the CDBG OOR Program are noted below. The maximum amount of CDBG funds that may be obtained will be \$500,000.



Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons.

Additional threshold factors include: Whether the Pre-Application was submitted by the application due date; whether the applicant is an eligible unit of general local government classified as a municipality (i.e. City or Village); and whether the applicant has achieved the expenditures of previous grant funds for other projects.

**What are the outcome measures expected as a result of the method of distribution?**

Through the CDBG OOR Program additional owner-occupied rehabilitation will occur for housing units occupied by LMI persons throughout the state. The additional number of units rehabilitated will be quantified within the Annual Performance Report under the “Housing Program” Goal that is completed after the conclusion of the previous Program Year.

**State Program Name:** Comprehensive Development (CD) [Combines Comprehensive Revitalization (CR) and Comprehensive Investment and Stabilization (CIS) into new competitive program]

**Describe the state program addressed by the Method of Distribution.**

Within the Community Development Priority Need, CDBG funds will be utilized for CDBG Eligible activities that include those identified as State Priorities in the Housing, Public Works, Planning, and Downtown Revitalization categories and made available to LMI persons or in areas that are defined under the Slum and Blight National Objective criteria. A complete list will be identified within the Appendix (located: [www.neded.org/aap](http://www.neded.org/aap)).

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a pre-development study that defines a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

The second phase will be awarded, after the successful completion and DED approval of the pre-development study; to implement physical projects identified in the CD pre-development study. The pre-development study must be submitted with the required application to receive an award for Phase II activities. CDBG funds for Phase II are reserved for communities that were selected to complete Phase I for Comprehensive Development Projects.

The CDBG entitlement communities of Omaha, Lincoln, Bellevue, and Grand Island are not eligible nor are any other communities whose populations are less than 5,000 persons. See the “Threshold

Requirements” within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) for specific thresholds that are also considered in determining eligibility.

Pre-development activities undertaken to complete Phase I CD project activities require 25% match and 25% leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards. Match may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. The amount of match must be calculated in dollars.

General Administration activities during the pre-development phase (Phase I) may not exceed \$3,000 or 10% of the amount of CDBG funds awarded (whichever is greater).

Below is a scoring matrix that will be utilized in the CD program category for Phase I.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Match & Leverage	MEF	Bonus Points	<b>TOTAL</b>
200	200	200	200	50	100	50	<b>1,000 points</b>
100 min	100 min	100 min	100 min	0	0	NA	<b>400 minimum</b>

For Phase II, all activities, except for general administration and housing management, **would require a 50% match and 50% leverage.**

All activities in Phase II, except General Administration, would require 50% match. Match may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. The amount of match must be calculated in dollars.

All activities in Phase II, except general administration and housing management, also require 50% leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

General Administration activities during the project implementation phase (Phase II) may not exceed 10% of the amount of CDBG funds awarded. The Housing Management activity cannot exceed 10% of the grantee’s allocation. These amounts are taken out of the CDBG CD funds

allocation for each community. General Administration and Housing Management activities require no matching funds.

Grantees with open Comprehensive Development awards cannot apply within the Public Works and Water Wastewater Program Categories.

Below is a scoring matrix that will be utilized in the CD program category for Phase II:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	
Project Design	Project Readiness	Community Support	Match & Leverage	MEF	Bonus Points	<b>SUBTOTAL</b>	Onsite Review	<b>TOTAL</b>
300	200	200	50	100	50	<b>900 points</b>	100	<b>1,000 points</b>
150 min	100 min	100 min	0 min	0	0	<b>350 minimum</b>	50	<b>400 minimum</b>

Additional information regarding threshold requirements and eligible activities can be found within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) and also within the CD Program Guidelines.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Comprehensive Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available in the Appendix and the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

**Describe how resources will be allocated among funding categories.**

It is anticipated that \$2,345,855 in CDBG funds will be utilized for planning activities (Phase I) and for project implementation (Phase II).

**Describe threshold factors and grant size limits.**

All activities proposed in applications for CDBG funding in the CD category must meet one of the national objectives of (1) benefitting low-and moderate income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, or LMI Housing); or (2) aiding in the prevention or elimination of slums or blight. A project or project activity that fails to meet one of these specified national objectives is ineligible.

The maximum grant amount for Phase I (pre-development) activities will be \$30,000 per community. The maximum grant amount for project implementation activities will be \$350,000 per year of implementation, \$700,000 total for Phase II.

Only up to 25% of each community's allocation can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program; provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community. If the CD grantee is awarded funds within the DTR Program, 0% of the CD allocation may be used for activities eligible for assistance under the DTR except for housing activities. No more than \$3,000 in CDBG funds per beneficiary of record can be invested in the described project area on public works eligible activities.

**What are the outcome measures expected as a result of the method of distribution?**

Additional comprehensive development efforts will improve communities throughout the state.

**State Program Name:** Downtown Revitalization (DTR)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Community Development Priority Need, CDBG funds will be utilized within the Downtown Revitalization Program for activities that will contribute to the revitalization or redevelopment of downtown infrastructure, health and safety concerns, and develop a greater capacity for growth. This provides a sound basis for fostering local economic development. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and create a center for community activity which is directly related to business expansion and location decisions. Activities will assist communities to carry out a comprehensive downtown revitalization pre-development study to stabilize and enhance clearly defined downtown areas that will provide a benefit to low/moderate income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown as part of meeting CDBG National Objective criteria.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a well-defined, comprehensive pre-development study that defines a series of specific desired outcomes with goals and action steps for improvements to a defined downtown business district.

The second phase will be awarded, after the successful completion and approval by DED of the downtown revitalization pre-development study; to implement physical projects or loan programs identified in the downtown revitalization pre-development study. The pre-development study must

be submitted with the required application to receive an award for Phase II activities.

CDBG funds for Phase II are reserved for communities that were selected to complete Phase I for Downtown Revitalization Projects. This includes previous Phase I award recipients that were not successful in obtaining Phase II resources.

Eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 persons and are not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the “Threshold Requirements” within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) for specific thresholds that are also considered in determining eligibility.

Below is the Selection Criteria Matrix that will be used for the DTR Program Category.

Additional information is available within the Appendix.

(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	
Project Need	Project Impact	Project Readiness	Business & Community Support	Matching Funds	MEF	Bonus Points	<b>SUBTOTAL</b>	Onsite Review	<b>TOTAL</b>
200	150	200	100	50	100	100	<b>900 points</b>	100	<b>1,000 points</b>
100 min	100 min	100 min	50 min	0	0	0	<b>350 minimum</b>	50	<b>400 minimum</b>

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Downtown Revitalization Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

**Describe how resources will be allocated among funding categories.**

It is anticipated that \$1,000,000 in CDBG funds will be utilized for planning activities (Phase I) and project implementation (Phase II).

**Describe threshold factors and grant size limits.**

Each project funded must meet a CDBG National Objective of benefiting low to moderate (LMI) income persons or slum and blight (SBA).

DTR applicants will no longer be required to obtain either an Economic Development Certified Community designation nor a Leadership Certified Community designation. Participation in these programs is encouraged as many of the elements of each program provide many benefits to a community and can enhance DTR applications by having many of the necessary items for a project.

The maximum grant amount for Phase I (pre-development) activities will be \$30,000 per community. Pre-development activities undertaken to complete Phase I DTR project activities require a 25% match. No more than half of the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total pre-development project costs. General Administration activities during the pre-development phase may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

The maximum grant amount for Phase II (project implementation) activities will be \$350,000 per community. DTR activities undertaken during Phase II require a 25% match. No more than half of the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total DTR project costs. General Administration activities during the project implementation phase may not exceed 10% of the amount of CDBG funds awarded. General Administration activities do not require any matching funds.

Additional information regarding threshold requirements and eligible activities can be found within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) and also within the DTR Program Guidelines.

**What are the outcome measures expected as a result of the method of distribution?**

Through CDBG resources, communities will be improved throughout the state through the increased viability of downtown areas.

**State Program Name:** Economic Development (ED)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Economic Development Priority Need, CDBG funds will be utilized for providing communities (and counties) with resources to assist businesses which expand the state's economic base and which create quality jobs principally benefiting LMI employees and made available under the LMI, SBA, or Urgent Need CDBG National Objective criteria.

Eligible activities will generally include:

- loans to for-profit businesses (through the applicant community) for a variety of business purposes;
- public facilities (infrastructure) projects undertaken by applicant communities for economic

development purposes, where a benefiting business agrees to locate or expand premises on the infrastructure improvements and agrees to create jobs for LMI persons;

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

A summary of the ED Program criteria include a number of items, much of which is noted below. Additional criteria include the following:

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$9.00 per hour, as well as provide appropriate employee benefits, for the duration of the project job maintenance period (this period will be established as part of the Memorandum of Understanding (MOU) for the project).
- Non-profit businesses/organizations are ineligible.
- Businesses that derive any revenues from gaming are ineligible.
- Production agriculture enterprises are ineligible. These are excluded because they lack the necessary CDBG ED Program Guideline requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquacultural facilities.
- Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

The general scoring criteria for the Program include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; Economic Development Certified Community; and DED Leadership Community. Additional information will be noted within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

This information provided is a summary. Additional information will be available within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) and within the ED Program Guidelines.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Economic Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

**Describe how resources will be allocated among funding categories.**

For the 2016 Program Year, DED is considering funding economic development infrastructure activities/projects with the anticipated \$1,700,000 of funding allocated to this Program. Other activities/projects will be funded from DED's CDBG Economic Development Revolving Loan Fund.

**Describe threshold factors and grant size limits.**

Eligible applicants include every Nebraska incorporated municipality that is under a population of 50,000 persons. Every county in Nebraska is also eligible for the Program.

Each project funded must meet one of three CDBG National Objectives that include: benefiting low to moderate (LMI) income persons; aiding in the prevention or elimination of slums and blight (SBA); or meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community and other financial resources are not available to meet such needs.

The majority of projects funded within the ED Program meet the LMI National Objective. The LMI benefit is demonstrated in nearly all projects through job creation, job retention, or both job creation and job retention, by a benefited business. Such job creation or job retention must involve the employment of persons, the majority (51% or more) of whom are LMI persons.

All CDBG ED projects require a minimum 1:1 match of CDBG funds with funds from other (non-CDBG) sources. This means that CDBG funds can be no more than 50% of the total project cost.

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that State programs administering federal CDBG funds will achieve the federal objectives of the CDBG Program. The underwriting standards—the decision-making criteria—used in the Nebraska ED Program are designed to address these federal guidelines. Further information regarding the “decision-making criteria” and other information on the ED Program will be available within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)). Additional information will also be available with the Economic Development Program Guidelines.

In addition, not all businesses are eligible to be benefited businesses under the DED CDBG ED Program. For a business to be eligible to be a benefited business that business must:

- meet the definitional criteria to be a "qualified business" as that term is defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made under these guidelines;

and also,

- meet any additional eligibility criteria, and not be ineligible by reason of the exclusions, in the ED Program Guidelines and above mentioned information.

Additional information regarding the Nebraska Advantage Act Criteria will be provided within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

\$1,000,000 will be used as a guideline for an award for any one project under the ED Program.



**What are the outcome measures expected as a result of the method of distribution?**

Through the Economic Development Program additional jobs will be created or retained throughout the state which will create additional opportunities for Nebraskan's, particularly those who are LMI.

**State Program Name:** HOME CHDO Program

**Funding Sources:** HOME funds

**Describe the state program addressed by the Method of Distribution.**

Within the Housing Priority Need, HOME funds will be utilized for eligible CHDO activities throughout the state and made available to eligible non-profits that are designated as Community Housing Development Organizations (CHDOs) under the Nebraska Affordable Housing Program application criteria.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Designation guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2

The HOME CHDO Program will be implemented by the Nebraska Affordable Housing Program (NAHP) within DED. The NAHP will utilize a separate application cycle titled the "CHDO Cycle". HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

Three eligible CHDOs will be provided the opportunity for HOME CHDO resources for 2016 after successful submittal of CHDO designation and application information. These CHDOs include: Housing Development Corporation (HDC); NeighborWorks Lincoln; and NeighborWorks Northeast Nebraska. These 3 CHDO's have been selected for funding this Program Year due to limited available HOME funding; the previous track records of these CHDO's; and in order to provide geographic distribution of CHDO funding throughout the State.

Complete application guidelines information will be made available within the CHDO Application Guidelines section. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This

information will be available on the DED website at:

<http://www.neded.org/community/community-info/documentslibrary-a-forms/home>

**Describe how resources will be allocated among funding categories.**

\$600,000 in HOME resources will be available for the CHDO Program with \$200,000 being made to each of the 3 CHDO organizations designated for funding that include: NeighborWorks Northeast Nebraska; NeighborWorks Lincoln; and Housing Development Corporation.

**Describe threshold factors and grant size limits.**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Designation guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

State-designated CHDOs will be selected through the HOME CHDO application process. The three CHDOs identified above will also be provided the opportunity to complete an application for funding. These applications will only be for CHDO-eligible activities.

The maximum amount of HOME funds available within the CHDO Cycle will be \$600,000, with \$200,000 being available to each of the 3 eligible CHDOs.

**What are the outcome measures expected as a result of the method of distribution?**

Through the HOME CHDO Program additional housing units that will be occupied by LMI persons throughout the state. The additional number of affordable housing units will be quantified within the Annual Performance Report under the "Housing Program" Goal that is completed after the conclusion of the previous Program Year.

**State Program Name:** HOME Rental Program

**Funding Sources:** HOME funds

**Describe the state program addressed by the Method of Distribution.**

Within the Housing Priority Need, HOME funds will be utilized for rental housing (both new construction and rental rehabilitation) through a joint application process between the Nebraska Investment Finance Authority (NIFA) and DED. NIFA will provide an allocation of Low Income Housing Tax Credits (LIHTCs) and DED provides HOME funds to those applicants needing HOME resources for gap financing in order to make their tax credit projects feasible. The tax credit rental

development program uses 9 percent tax credits (and may use 4 percent tax credits for a bond structured project) combined with other resources in order to provide affordable housing to low income persons, at or below 60% of the Area Median Income, throughout the state. All areas of Nebraska are eligible for these rental projects, including Omaha, Lincoln, Bellevue, and Grand Island.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, CHDOs, and units of local government. These applicants will partner with rental housing developers in order to complete the joint NIFA/DED application.

NIFA administers the application process that begins with the completion of a Qualified Allocation Plan (QAP). The QAP provides details on the LIHTC allocation process. Further information and details can be found within the QAP at: <http://nifa.org/downloads/2016qap.pdf>

A joint NIFA/DED application is completed online in order for eligible applicants to apply for LIHTCs and HOME resources. The NIFA/DED application includes a variety of detailed selection criteria which include, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. The complete application can be found on NIFA's website at: [http://nifa.org/downloads/2016lihtc\\_homeapp.pdf](http://nifa.org/downloads/2016lihtc_homeapp.pdf)

**Describe how resources will be allocated among funding categories.**

\$2,121,060 in HOME resources will be utilized for LIHTC rental housing development. In addition, \$680,265 in NAHTF resources will also be used within the tax credit cycles. These NAHTF resources will be used in order to meet the 25% HOME Match requirements.

**Describe threshold factors and grant size limits.**

Only eligible HOME applicants can apply for HOME resources within the NIFA/DED application cycles. Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, CHDOs, and units of local government. A number of Threshold Exhibits are required during the application process that include: architectural plans; an affirmative marketing plan; site control; site visit approval for HOME funded projects; subsidy information; investor letters; financing documentation; development worksheets; and other information (all of which is noted within the NIFA/DED application as mentioned above).

There are no specific HOME grant size limits. However, DED staff will work closely with applicants in order determine the availability of HOME funds for any given project.

**What are the outcome measures expected as a result of the method of distribution?**

HOME resources, combined with LIHTCs, will create additional rental housing throughout the state. These additional units will serve low income persons at or below 60% of the Area Median Income. These additional affordable housing units will remain affordable to low income persons for at least

20 years.

**State Program Name:** HOPWA Program

**Funding Sources:** HOPWA funds

**Describe the state program addressed by the Method of Distribution.**

Within the HOPWA Services Priority Need, HOPWA funds will be utilized to provide supportive services to persons, and their families, with HIV/AIDS that include: standard and intensive case management services with a medical and self-sufficiency component; outreach to HIV+ homeless persons/families and homeless service providers; emergency rental/mortgage assistance; tenant-based rental assistance (TBRA); permanent housing placement (including first/last month's rent, security deposits, and rental application fees); and housing information services and resource identification.

The HOPWA Program prioritizes outreach to the chronically homeless and homeless persons, and their families, living with HIV/AIDS in order to help address their housing, supportive services, and medical needs.

In general, DHHS provides HOPWA resources to the Nebraska AIDS Project (NAP), the HOPWA Project Sponsor, in order to carry out activities throughout the state. The strategy of the program is to support and facilitate NAP's participation and involvement in the seven (7) regional Continuum of Care (CoC) Committees. DHHS participates on the Statewide Continuum of Care Committee. It is the goal of HOPWA staff to coordinate with ESG Program staff, and homeless service providers, in order to coordinate homeless activities. These collaborations will help to ensure that the special needs of persons living with HIV/AIDS in Nebraska will be represented at both the regional and the state level planning processes.

The HOPWA Program also participates in the Nebraska HIV Care and Prevention Consortium (NHPC) which consists of HIV/AIDS medical providers, service providers, consumers, and other members of the public. One of the members of the NHPC includes a representative of the Nebraska Red Ribbon Community. The Nebraska Red Ribbon Community is a geographical, diverse group of persons living with HIV/AIDS that work together to enhance and enrich the lives of fellow HIV positive persons through leadership and partnership with the State and other local organizations. In addition, the HOPWA Program Manager works closely with the Ryan White Part B Program Manager, the ADAP Coordinator and the Ryan White All Parts Committee members to coordinate services for persons living with HIV/AIDS. Committee meetings are held on a quarterly basis. The HOPWA Program Manager is currently in the process of developing a Quality Management Plan for the HOPWA Program and will align goals with that of Ryan White Part B Quality Management Program and Plan. The HOPWA Program is working with the Nebraska Housing Developers Association (NHDA) to resume RentWise training to HOPWA clients across the state, and the HOPWA Program Manager will become certified to train RentWise in May of 2016.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Client services staff will complete the 'HOPWA TBRA Waiting List Application' for any client in potential need of the TBRA Program and submit the completed application to their immediate supervisor. Reviewers, consisting of Client Services Managers, Executive Director, and Compliance Supervisor, will review and discuss all applications received within four business days to determine if client/household meets criteria to be placed on the TBRA waiting list. The criteria for placement onto the TBRA waiting list constitutes falling into a range of the highest number of points the client/household receives on the 'HOPWA TBRA Waiting List Application' with the range being 8-26. The top five highest scoring clients/households from the HOPWA TBRA Waiting List Application and review process will be added every time there is an opening of available TBRA slot(s).

**Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)**

Within Nebraska, the Nebraska AIDS Project (NAP) is the only AIDS Service Organization that provides case management services statewide to persons living with the HIV/AIDS disease. Because of this, DHHS awards HOPWA funds to NAP directly through a sole source contract deviation process. NAP serves as the project sponsor for the HOPWA Program and has offices located in Omaha, Lincoln, Kearney, Norfolk, and Scottsbluff.

**Describe how resources will be allocated among funding categories.**

\$370,412 in HOPWA funds will be available with the 2016 Program Year. The majority of those resources will be awarded to the Nebraska AIDS Project, in order to administer the HOPWA Program.

HOPWA funds will be used to support the goal of reducing homelessness and increasing housing stability for special needs populations through the following activities below. Programs identified with AID are those operated and managed by the Neb AIDS Project (NAP).

**DHHS**

- Formula Administrative-\$11,112
- Supportive Services-\$7,000
- Housing Information-\$8,000
- Resource Identification-\$16,030
- Short-term Rent/Mortgage-\$9,433
- Long-term Rent-\$22,210

**Nebraska AIDS Project**

- Formula Administrative AID-\$18,988

- Supportive Services AID-\$95,960
- Resource Identification AID-\$3,225
- Permanent Housing Placement AID-\$9,000
- Short-term Rent/Mortgage AID-\$73,928
- Long-Term Rent AID-\$117,736

**TOTAL: \$370,412**

**Describe threshold factors and grant size limits.**

Services provided by Nebraska’s HOPWA program are limited to services that can be delivered under the funding allocation the program receives and provides to Nebraska AIDS Project. There are no State dollars provided to the HOPWA program. Other threshold factors will be defined by DHHS in collaboration with NAP through the implementation of HOPWA services.

**What are the outcome measures expected as a result of the method of distribution?**

Through HOPWA resources needed services will be provided to persons living with HIV/AIDS and their families throughout the state, including emergency rent and mortgage assistance, permanent housing placement, and tenant-based rental assistance.

**State Program Name:** Nebraska Homeless Assistance Program (NHAP)

**Funding Sources:** ESG funds and HSATF resources

**Describe the state program addressed by the Method of Distribution.**

Within the Homeless Services Priority Need, ESG funds will be utilized, along with Homeless Shelter Assistance Trust Fund (HSATF) resources, in order to provide funding for activities that provide a comprehensive approach to address the needs of people who are homeless or at risk of homelessness in Nebraska. These activities are intended to: assist in the prevention and alleviation of homelessness; provide temporary and/or permanent housing for persons who are homeless; and to encourage the development of projects that link housing assistance programs with efforts to promote self-sufficiency.

The statewide Continuum of Care (CoC) system has been developed to help ensure that people who are homeless or at risk of homelessness are able to access needed emergency shelter, street outreach, homelessness prevention, and rapid rehousing services in each of the 93 counties.

Additional information regarding the Continuum of Care Regions is available within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

In order to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle in 2003. 2016-2017 is the first year of this two-year grant cycle; involving a competitive application process that is open to any eligible applicant. The second year will be a renewal application process that is open only to existing NHAP recipients in good standing.

In 2015, an allocation formula was used in distributing NHAP grant funds. The formula helped ensure an equitable distribution of funds throughout the entire state. The formula was calculated using a \$50,000 base 'hold harmless' funding amount per geographic Region (see page 6-12); the Department of Housing and Urban Development's (HUD) annual Continuum of Care NOFA pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee.

For 2014-15, the following NHAP plan was developed in consultation with Nebraska's Continuum of Care:

Due to annual fluctuations in the pro rata need amounts and the need to help ensure statewide continuity of necessary services, should applying the formula result in a decrease in funding from the prior year for the majority of the regions, or a significant increase in one or more regions, adjustments will be made to reduce the impact of the change in available funding by region.

In December of 2015, NHAP surveyed Nebraska's Continuum of Care and determined the current funding formula should remain in place.

**Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)**

The State ESG program is a competitive program and geographic distribution is based on applications received and the results of the project selection process. The eligible applicants are units of general local government, Community Action Agencies and individual non-profits. ESG applications are taken on an annual basis. As mentioned above, NHAP utilizes a two-year grant cycle.

**Describe how resources will be allocated among funding categories.**

ESG funds will be allocated among several service categories. The Table below further describes the breakdown of estimated allocations for each of the ESG Categories in order to ensure that no more than 60 percent of the total ESG award is allocated to Street Outreach (SO) and Emergency Shelter (ES) services. Based on the ESG allocation estimate, SO and ES services must be below \$569,064, which is 60 percent of the total ESG funds.

<b>Service</b>	<b>Estimated ESG Funds</b>
Street Outreach (SO)	\$4,965
Emergency Shelter (ES)	\$164,544
<b>Maximum SO &amp; ES Subtotal (no more than 60% of Estimated Total Award)</b>	<b>\$169,509</b>
Homelessness Prevention	\$381,712
Rapid Re-housing	\$202,648
HMIS	\$117,309
<b>Services Subtotal</b>	<b>\$701,669</b>
Estimated Administration (7.5%)	\$70,636
<b>Total ESG Award</b>	<b>\$941,814</b>

**Describe threshold factors and grant size limits.**

At present, DHHS does not have grant limits for ESG funds. However, because DHHS attempts to achieve equitable distribution, sizes of grant awards may be limited by available funds and the number of requests. There are no threshold factors for funding other than those identified in the RFA.

**What are the outcome measures expected as a result of the method of distribution?**

Through ESG and HSATF resources needed services will be provided to persons who are homeless or at risk of homelessness throughout the state. For the upcoming program year, we anticipate that 8,500 homeless persons will receive adequate emergency shelter/and or transitional housing, 1,700 homeless persons will be rapidly re-housed, and 3,000 individuals will receive support services to prevent them from becoming homeless.

**State Program Name:** Planning (PP)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Community Development Priority Need, CDBG funds will be utilized by a local unit of government to provide community planning, fair housing studies, strategic planning, and functional or special studies, related to: housing, infrastructure, economic development, land use/regulatory



measures, main street improvement district, energy conservation, transportation planning, environmental planning, heritage tourism studies, historic preservation studies, etc. and made available under the LMI or Slum and Blight National Objective criteria.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

CDBG funds will only be available for applicants that are CDBG-eligible units of general local government. Specific application questions have been developed, which include: problem statement, impact, strategy/work plan, National Objective, leverage, and bonus points are available for sustainability. The total points available for any given application will be 1,000 points; a minimum of 400 points is required in order to be considered for funding. In addition, applicants will be required to obtain a minimum score within the problem statement, impact, and strategy/work plan sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in the Application not being funded.

Below is the Selection Criteria Matrix that will be used for the Planning Program.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness (Local Effort)	Matching Funds	LMI Benefit	MEF	Bonus Points	<b>TOTAL</b>
250	250	250	50	50	100	50	<b>1,000 points</b>
150 min	125 min	125 min	0	0	0	NA	<b>400 minimum</b>

The above mentioned information is a summary. Additional information on the Planning Program will be made available within the Appendix.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Planning Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

Technical assistance is available from the State during preparation of the application to ensure that the application will meet threshold requirements. Application guidelines are available as a downloadable document on the Department website or may be acquired by contacting the

program representative.

**Describe how resources will be allocated among funding categories.**

\$250,000 in CDBG resources will be available for the CDBG Planning Category.

**Describe threshold factors and grant size limits.**

Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning Category. The applicant local government in multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example. Projects are to be completed within twenty-four (24) months following award. Funds are available in 2016 in two cycles, including one in the spring and an open-cycle throughout the remainder of the Program Year.

For 2016, no Preliminary Engineering Reports (PERs) that are prepared in anticipation of WWAC funding will be funded through the CDBG Planning Program. PERs that are needed outside of the WWAC process may be funded.

No more than 60% of CDBG funds allocated will be awarded from the first application cycle. The maximum grant is \$30,000 per community/unincorporated county. The maximum grant for multi-community, countywide, or regional planning projects may not exceed \$50,000. There is an estimated \$250,000 reserved for planning projects out of the 2016 CDBG allocation.

All planning activities require a 25% match (minimum 12.5% non-CDBG cash, in-kind services, contributions) of the total project cost. General administration activities require no matching funds. General administration activities shall not exceed 10% of the CDBG funds awarded or \$3,000, whichever is greater.

Additional threshold factors are required within the Planning Program. This information will be available within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**What are the outcome measures expected as a result of the method of distribution?**

Through additional planning, communities and counties will be able to better prepare for potential projects throughout the state. These planning efforts will help provide communities the opportunity to solve problems and meet citizen needs through a community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or carries out processes that lead to successful projects.

**State Program Name:** Public Works (PW)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Community Development Priority Need, CDBG funds will be utilized for public works projects. Within the PW Program CDBG funds will be utilized for and made available under the LMI-National Objective measures. Funds are awarded for: community centers; senior centers exclusively for persons aged 62 and over; nonprofit centers for day care, primary health and mental health clinics; remodel shelter facilities for the homeless (excludes costs for operation); accredited public libraries; fire and/or rescue buildings, including fire trucks; removal of architectural barriers from city/village halls or county courthouses for accessibility; parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and tornado-safe shelters in manufactured home parks.

For more information see the PW Application Guidelines.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Full applications are scored with pre-set categorical criterion as noted below. A scoring team will review the applications independently and then come together to prepare a consensus tabulation.

Below is the Scoring Criteria Matrix that will be utilized within the Public Works Program Category.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Project Need	Project Impact	Project Readiness	Citizen Participation	Matching Funds	LMI Benefit	MEF	Bonus Points	<b>TOTAL</b>
200	150	250	150	50	50	100	50	<b>1,000 points</b>
75 min	75 min	100 min	50 min	0	0	0	NA	<b>300 minimum</b>

Items 1 through 4 include minimum threshold criteria and minimum points must be earned in order to obtain threshold.

A new tool will be utilized again this year which replaces the Community Needs Factor (CNF) score that is called the Municipal Equalization Fund (MEF) evaluation criteria. MEF was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation as one of the scoring categories used to produce points towards the total score of a PW application.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community qualifies for points towards their CDBG Public Works application. If the difference is negative, no points will be awarded under MEF category used for scoring CDBG Public Works applications. Populations, used in the MEF are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

Overall, the information provided above is a summary of the criteria that will be utilized within the PW Program. Further information will be provided within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) and within the CDBG Program Guidelines for this Program.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Public Works Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

**Describe how resources will be allocated among funding categories.**

For the 2016 Program Year, DED proposes funding public works infrastructure activities/projects with an anticipated \$1,000,000 in CDBG resources. The Public Works award amount is based on beneficiary data of the project area as well as the feasibility and need for the project. It is also anticipated to utilize one half of the resources for infrastructure projects and the other half of the resources for facilities projects.

**Describe threshold factors and grant size limits.**

Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons. Up to \$250,000 in CDBG funds may be awarded per project for project activity and general administration combined; no more than \$20,000.00 may be used for general administration. The cost per resident beneficiary cannot exceed \$3,000, except for daycare facility projects where the cost per resident beneficiary cannot exceed \$5,000.

**What are the outcome measures expected as a result of the method of distribution?**

The State will be able to identify qualified projects in areas that are economically distressed in order to appropriately invest CDBG funds for public works projects that meet the National Objectives described in 24 CFR Part 570.

**State Program Name:** Tourism Development (TD)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Economic Development Priority Need, CDBG funds will be utilized for tourism development projects, defined as tourist attractions. For the purposes of this section “tourist attractions” include attractions developed by either for-profit or non-profit entities that are either public or private. These tourist attractions must be expected to draw 2,500 visits or more per year from origins of at least 100 miles away. Tourist attractions include sites and facilities that draw visitors from a significant distance away because of their scenic, historic, cultural, scientific, educational, and/or recreational attributes. These projects also serve and provide facilities that service other community and regional activities. Tourism projects generally focus on meeting and improving multi-faceted facilities for assisting in economic development at the local, regional, and statewide levels. Tourist attractions must meet a CDBG National Objective and also a state CDBG priority. A complete list of priorities, along with further information regarding the Tourism Development Program, will be in the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Full applications are scored with pre-set categorical criterion containing the following categories: Project Need, Project Impact, Project Readiness, Citizen Participation, Matching Funds, LMI benefit, and MEF. A scoring team will review the applications independently and then come together to prepare a consensus tabulation. A new tool will be utilized which replaces the Community Needs Factor (CNF) score that is called the Municipal Equalization Fund (MEF) evaluation criteria. MEF was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation as one of the scoring categories used to produce points towards the total score of a TD application.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average

property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community qualifies for points towards their CDBG Public Works application. If the difference is negative, no points will be awarded under MEF category used for scoring CDBG Public Works applications. Populations, used in the MEF are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

Overall, the information provided above is a summary of the criteria that will be utilized within the TD Program. Further information will be provided within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)) and within the CDBG Program Guidelines for this Program.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Tourism Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

**Describe how resources will be allocated among funding categories.**

Up to \$350,000 in resources will be made available within the 2016 Program Year for TD projects. These resources are being estimated in a range from \$350,000 to \$0 depending on the number and quality of applications within a given year.

**Describe threshold factors and grant size limits.**

Each project funded must meet a CDBG National Objective.

All TD projects require a minimum 25% match which must be 3 to 1 (3 CDBG and 1 other resources) match of CDBG funds with funds from other (non-CDBG) sources. At a maximum, no more than one-half of the total project match may be from in-kind source contributions. At a minimum, at least one-half of the total project match must be non-CDBG cash contributions. General administration activities require no matching funds.

Eligible local governments may individually or jointly apply and receive more than one grant per year in the Tourism Development Category.

Applications for CDBG TD awarded are accepted and considered on an open cycle. TD applications will be accepted beginning in May of 2016. Applications will be submitted as prescribed in the Tourism Development Application Guidelines.

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible;
- activities are eligible and comply with a CDBG National Objective and State CDBG priority;
- Applicant has no significant, unresolved audit finding;
- Applicant has no legal actions underway that may significantly impact its capacity;
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan; and
- Applicant has adopted an authorizing participation resolution.
- Applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past Awards and have had responses accepted by DED;
- Applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, etc.)

The maximum grant amount is \$350,000 in CDBG funds and the minimum amount is \$50,000 per community/unincorporated county.

**What are the outcome measures expected as a result of the method of distribution?**

Additional tourist attractions funded by Tourism Development activities will increase opportunities throughout the state for persons within the communities where the projects are located and for those persons visiting the attractions.

**State Program Name:** Water Wastewater (WW)

**Funding Sources:** CDBG funds

**Describe the state program addressed by the Method of Distribution.**

Within the Community Development Priority Need, CDBG funds will be utilized for and made available to LMI persons on an area basis. Eligible applicants may submit one of two types of applications:

1. Individual: Except as provided in the DED application guidelines in § 1.03, an eligible municipality may apply only for projects within its corporate limits, and an eligible county may apply only for such projects or activities in unincorporated areas.
2. Joint: Eligible applicants may jointly apply for projects when it can be clearly documented that mutual action by the applicants is required. The applicant local government in a multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/ project.

Funds are awarded to publicly-owned systems. The fundable activities include: final engineering design, water source, treatment, storage, distribution; sanitary sewer treatment or collection.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Applicants anticipating the use of federal and/or state administered funds in order to finance water or sanitary sewer improvements must apply with the Water Wastewater Advisory Committee (WWAC). WWAC is made up of several state and federal agencies that include: the Nebraska Department of Economic Development, the Nebraska Department of Environmental Quality, and the Nebraska

Department of Health & Human Services, and the U.S. Department of Agriculture. The application process includes submitting the application and pre-application with information regarding a facility plan (FP) or Preliminary Engineering Report (PER) to one of the WWAC agency partners.

WWAC reviews the project pre-application then advises the applicant which assistance provider(s) can best meet the project funding needs. Project owners may also contact the individual agencies directly without going to the WWAC. It is important to note that the DED relies on the ranking systems in this Intended Use Plan (IUP) as their initial step for determining the eligibility of a community for their grants. Drinking water projects must score a minimum of 85 points and clean water projects must meet a minimum of 55 points as described in the IUP. The community, at that time, is also reviewed to determine whether a CDBG National Objective has been met for the State's CDBG program. If, after a WWAC review, it has been determined that CDBG funds are an appropriate funding source for a community, DED will invite the community to apply for a CDBG WW award.

Priority ranking will be utilized for projects when two or more projects are similar within the following areas that include: a) each project has an equivalent SRF priority ranking, b) each project proposes appropriate solutions, c) each community is ready to promptly start and complete activities, and d) adequate CDBG funding for all projects is not available. In this instance, the community with the highest percent of low- and moderate-income persons shall have priority.

The invitee's application is reviewed for CDBG thresholds and requirements as outlined in the Water/Wastewater Program Guidelines. Awards will be reserved until December 31, 2016 for communities scoring 85 or more points on the Drinking Water Revolving Fund Intended Use Priority (IUP) and 55 or more IUP points on the Clean Water Revolving Fund priority system. If funds remain available thereafter, CDBG reserves will be considered for the next highest ranked and eligible community determined by WWAC as an appropriate source for funding.

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made



available within the CDBG Water Wastewater Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>.

**Describe how resources will be allocated among funding categories.**

For the 2016 Program Year, DED anticipates utilizing \$1,000,000 of funding allocated to this Program.

**Describe threshold factors and grant size limits.**

Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons.

Once a community is invited to apply for a Water/Wastewater CDBG award, all applications are reviewed and held to the same criterion as all of the other State's WW projects appraised. There is a 25% match requirement for CDBG Water/Wastewater awarded activities.

Up to \$250,000 in CDBG funds are available per project. No more than \$2,000 in CDBG funds per beneficiary of record can be invested in the described project area.

**What are the outcome measures expected as a result of the method of distribution?**

DED will be able to identify those water/wastewater project areas that meet a CDBG National Objective and target those projects that are impacting the safety of our citizens. Through a collaborative effort with other funding agencies, DED is better able to leverage CDBG resources in order to obtain maximum impact.

**Discussion:**

**Community Development Block Grant (CDBG)**

**Distribution of Other CDBG Funds Remaining Funds**

Funds remaining uncommitted and unobligated from prior years' allocations on the acceptance date for the 2016 CDBG Program, from any funding category, will remain in their funding category. If the remaining uncommitted and unobligated funds exceed the total amount of eligible and viable applications in the original funding category, or if funds need to be moved to another category in order for DED to meet timely distribution requirements, the funds may be distributed among any funding category identified in the 2016 Annual Action Plan. Funds for State Administration and Operations and Technical Assistance that are not used in a Program Year may be carried forward to the next Program Year.

## **Reallocated Funds**

Funds reallocated by HUD during 2016 shall be used in conformance with the 2016 CDBG Program Guidelines, unless otherwise specified by HUD

## **Redistributed Funds**

Funds periodically recaptured by DED from grantees including, but not limited to, those that are recaptured due to: (a) unexpended CDBG funds for approved activities and (b) disallowed expenditures of CDBG funds for unapproved or ineligible activities, will be redistributed according to the prioritization noted below.

The first priority for the redistribution of recaptured CDBG funds is to the Comprehensive Development (CD) Program. The amount redistributed will not exceed the total funds required to fund all eligible and viable projects in the CD Category application cycle.

The second priority for the redistribution of recaptured CDBG funds is to the Downtown Revitalization (DTR) Program of the Community Development Priority Need. Otherwise, funds recaptured from prior CDBG projects will be redistributed in conformance with the 2016 Program that is most similar to the Program from which the original award was made.

Funds recaptured from Economic Development Program grantees may be redistributed to either the Economic Development Program or the Tourism Development Program in conformance with 2016 Program Guidelines, or may be distributed among other funding programs.

Funds recaptured from Public Works; Water/Wastewater; Housing; Comprehensive Development; Planning; and Downtown Revitalization Program grantees will be redistributed in conformance with 2016 Program Guidelines as follows: (1) if there are sufficient funds within 105 days from the date of the 2016 grant awards, the next ranked fundable applicant(s) may be awarded; or (2) if funds are insufficient, these funds, and any other funds recaptured after the 105 day period and prior to the 2016 CDBG application acceptance date, may be redistributed in conformance with the Program Guidelines of any 2016 CDBG Program.

In addition, CDBG funds recaptured from Housing Program grantees (the CDBG OOR Program) may be redistributed for housing activities in the CD Program. In addition, funds recaptured (de-obligated) from HOME and NAHTF grantees may also be redistributed for housing activities within the CD communities.

## **CDBG Program Income (Economic Development and Housing)**

Program income is defined as gross income received by a State, a unit of general local government, or a sub-grantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether or not the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must

be prorated to reflect the percentage of CDBG funds used.

The State may use up to 3% of the amount recaptured and reportable to HUD each year for administrative expenses under the Nebraska Community Development Block Grant (CDBG) Program, including amounts recaptured and reported to HUD from and during all open grant years.

There are 2 primary types of CDBG program income that is generated through program-eligible activities and these include Economic Development (ED) program income and Housing program income. ED program income is incurred through ED Program activities as defined within the Economic Development Program and Housing program income is created through the CDBG OOR Program activities.

Further information regarding CDBG program income is identified within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**AP-35 Projects – (Optional)**

**Introduction**

There are currently no 2016 projects to report at this time as the 2016 Program Year does not begin until July 1, 2016. Funding for CDBG, HOME, ESG, and HOPWA projects will not be determined until Program-specific applications are received and evaluated, which will occur in 2016.

It is for this reason that the table below is blank as generated by the IDIS system.

#	Project Name

**Table 12 – Project Information**

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

As projects are funded through CDBG, HOME, ESG, and HOPWA additional information will be provided within this AP-35 Section.

## **AP-38 Project Summary (optional)**

### **Project Summary Information**

There are currently no 2016 projects to report at this time as the 2016 Program Year does not begin until July 1, 2016. Funding for CDBG, HOME, ESG, and HOPWA projects will not be determined until Program-specific applications are received and evaluated, which will occur in 2016

### **Table 13 – Project Summary**

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No, the State has no Section 108 Loan Guarantee Program and has no plans to apply for this program in the near future.

**Available Grant Amounts**

Not applicable.

**Acceptance process of applications**

Not applicable.

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

**Describe the State’s Process and Criteria for approving local government revitalization strategies**

Annually, the State will review the local revitalization strategies of the CD Program communities. This strategy review includes evaluating the planning process completed during the pre-development phase of the project, and evaluating the proposed activities within the CD Program in order to ensure that these activities meet a CDBG national objective of 1) benefitting low-and-moderate income persons (through the subcategories LMI Area Benefit; LMI Limited Clientele; or LMI Housing); or 2) aiding in the prevention or elimination of slums or blight. Any project or project activity that fails to meet one of these specified national objectives is ineligible.

In 2016 the State of Nebraska will combine the CDBG Comprehensive Revitalization (CR) Program and Comprehensive Investment & Stabilization (CIS) Program in 2016 into one competitive program called Comprehensive Development (CD). The CD program will be for those communities within the state that have 5,000 persons or more and that are not a CDBG entitlement recipient (Omaha, Lincoln, Grand Island and Bellevue). All previous CR and CIS communities (with the exception of Grand Island) will be eligible to apply for CD funding in the 2016 program year.

Eligible activities for CD will be all public works, water/wastewater, Downtown Revitalization, and housing CDBG priorities. Activities must meet one of 2 CDBG National Objectives of benefiting low to moderate income persons (LMI) or aiding in the prevention or elimination of slums and blight (SBA).

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a pre-development study that defines a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

**AP-50 Geographic Distribution – 91.320(f)**

**Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The State of Nebraska has chosen not to target any particular geographic area for special assistance, but has chosen to allow any non-entitlement community to apply for CDBG funding, dependent on eligible activities and programs, and provides HOME, ESG, and HOPWA funding throughout the state.

It is for this reason that the table below is blank as generated by the IDIS system.

**Geographic Distribution**

Target Area	Percentage of Funds
Statewide	

**Table 14 - Geographic Distribution**

**Rationale for the priorities for allocating investments geographically**

Not applicable.

**Discussion**

The State of Nebraska will distribute development resources in proportion to the development needs of the state. In general, the Nebraska Department of Economic Development and the Nebraska Department of Health and Human Services will approve funding for development projects which satisfy specific criteria and fund projects throughout the state. There is no specific target area for funding distribution but program assistance is provided statewide.

Nebraska is served by a system of service providers throughout the state. The majority of these service providers are located in the areas where need has been shown according to the Census data available and other economic indicators. Some of these indicators include the community population, where those communities with the largest populations tend to have the greatest number of service providers within any given geographic area.



## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction

Below is a summary of the one year goals for a number of categories that relate to affordable housing. These one year goals are related to the federal resources provided through CDBG, HOME, ESG, and HOPWA and also include HSATF projects. These numbers do not include households assisted through NAHTF as this is a State resource and the State is not required to report these numbers within the context of the Annual Action Plan.

One Year Goals for the Number of Households to be Supported	
Homeless	452
Non-Homeless	125
Special-Needs	57
Total	634

**Table 15 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	464
The Production of New Units	50
Rehab of Existing Units	50
Acquisition of Existing Units	25
Total	589

**Table 16 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

As the information above demonstrates, a significant number of households are served annually through affordable housing programs.

One year goals for the number of “Homeless” households supported are estimated from the number of households that will receive TBRA through the Nebraska Homeless Assistance Program (See also AP-20). One year goals for the number of “Non-Homeless” are estimated from the number of units proposed within the Housing Program Goal (See also AP-20). One year goals for the number of “Special-Needs” are estimated from the number of households that will be served through the HOPWA Program (See also AP-20).

Rental assistance will be completed primarily through ESG and HOPWA resources that include Tenant Based Rental Assistance (TBRA); financial assistance including rental application fees,

security and utility deposits, last month's rent, utility payments, and moving costs; and short-term rent assistance. In addition, HSATF resources will also be used for this activity. The total estimated number of households for "Rental Assistance" includes ESG and HOPWA estimates of TBRA assistance combined (See also AP-20).

The production of new units will be completed primarily through HOME resources that will be utilized through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle which utilizes LIHTCs and HOME funds in order to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

Rehabilitation of existing units will be completed primarily through CDBG resources within the Owner Occupied Rehabilitation Program administered by the Nebraska Affordable Housing Program. Additional rehabilitation activities may occur through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle which utilizes LIHTCs and HOME funds in order to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

The number of households supported through acquisition of existing units will be performed through HOME funding to eligible CHDO organizations in order to meet the HOME regulatory requirement which ensures that at least 15 percent of the HOME allocation is utilized for CHDO activities. It is anticipated with the approximate \$600,000 in HOME funds proposed for 2016, approximately 25 households will be assisted with acquisition based on HOME funds and additional resources utilized by eligible CHDOs.

It is anticipated that additional households will be supported through NAHTF projects which will likely include those that involve acquisition of existing units. Specific numbers and estimates regarding NAHTF accomplishments were not available during the development of this Consolidated Plan, as this information is compiled and calculated through a separate NAHTF cycle, but this information will be compiled separately through the implementation of additional housing programs.

In addition, based on the findings within the "Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska" there is a significant need for the development of additional Permanent Supportive Housing (PSH) throughout the state. Collaboration and partnerships should be developed and evaluated in order to address these continued needs in order to serve persons who are homeless or at risk of homelessness.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction**

As the State Department of Economic Development, DED does not manage or oversee funds to any of the Public Housing Authorities throughout the state. The State will continue to work with the Public Housing Authorities (PHAs) to house Nebraska's low-income households to the extent that is necessary. PHAs are eligible applicants for some DED resources including Nebraska Affordable Housing Trust Fund (NAHTF) resources.

### **Actions planned during the next year to address the needs to public housing**

This Annual Action Plan is for a State grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

This Annual Action Plan is for a State grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable.

### **Discussion**

This Annual Action Plan is for a State grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The “All Doors Lead Home Coordinated Entry” has the potential to create more efficient homeless service systems by targeting resources toward those who need them most and helping clients move through the system faster. In Nebraska, coordinated assessment is being implemented at the CoC level. NHAP will continue to require participation in coordinated assessment for the CoC as a part of the ESG program.

The State of Nebraska’s ESG funding is focused on assisting the literally homeless. As such, a portion of funding is designated to street outreach to identify unsheltered individuals and support them with the services they need to allow them to regain stable housing and secure self-sufficiency.

New to last year’s AAP, performance measurements were identified. Consequently, for 2016, data being presented establishes the baselines for which performances will be measured.

To measure the effectiveness of Nebraska’s ability to reduce the number of unsheltered individuals and families and end homelessness, the Homeless Point in Time Count (PIT) will be used. The goal in Nebraska is to reduce the number of unsheltered individuals and families by 1% each year. From the 2015 PIT information, 24 unsheltered persons were identified. We would anticipate for the upcoming year, this number to remain fairly consistent.

For Street Outreach, the baseline performance measurements were established in 2015 from the HMIS APR and include:

1. Outreach Contacts - 12 individuals
2. Permanent Housing - 0 individuals
3. Non-Cash Benefits - 0 individuals

For 2016, we are projecting Outreach contacts to increase. As for Permanent Housing and Non-Cash Benefits, work will continue throughout the CoC regions in Nebraska to build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Emergency shelter is a critical part of the homeless service system. Shelters provide temporary refuge and often serve as the “front door” or first place of entry to those experiencing

homelessness. NHAP sees the importance that emergency shelters have in connecting those experiencing homelessness with the resources needed to exit homelessness and move to self-sufficiency.

For Emergency Shelter, baseline performance measurements were established in 2015 from the HMIS APR and include:

1. Bed utilization rate for singles - 62%
2. Bed utilization rate for families - 58%
3. Average length of stay - 22 days
4. Percent discharged to PH - 37%

Note: Numbers reported for Emergency Shelter performance do not include DV numbers.

During this next year NHAP will continue to encourage and direct agencies receiving ESG allocations to reach out to homeless persons through various means thereby conceivably impacting bed utilization rate. Because length of stay is very close to the ideal length of stay benchmark of less than 20 days for Emergency Shelter, the goal for 2016 will be to try and maintain this base. As for Permanent Housing, continued efforts will be ongoing to increase this performance percentage.

For Transitional Housing baseline performance measurements were established in 2015 from the HMIS APR and include:

1. Bed utilization rate for singles - 100%
2. Bed utilization rate for families - 84%
3. Average length of stay - 70 days
4. Percent discharged to PH - 36%

With bed utilization rate for singles at capacity and families close to reaching the performance benchmark of 90%, the projected goal for 2016 will be to try and sustained these numbers. As for average length of stay, because the performance is well below the benchmark of less the 180 days, this number will remain the target goal for 2016. We acknowledge that ongoing efforts need to continue during the next year to assist in moving more households into secured permanent housing.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The State will continue to uphold the expectation NHAP sub-recipients utilize the housing first model and encourage them to prioritize Rapid Re-Housing funds towards ending homelessness. Technical assistance will continue from the State to support the implementation of Outreach and Rapid Re-Housing services, through NHAP grant awards, towards increasing the number of homeless households served.

With the CoC's usage of the coordinated entry system, persons seeking or in need of homeless assistance services are assessed using the VI-SPDAT. Any individual or family with a score of 10 or greater are referred to the Most Vulnerable Referral Team (MVRT) which consists of all providers of PSH in the CoC as well as those organizations who initially engage homeless people. The MVRT review each case in prioritized order, develops case plans for each, and offers available units to individual by priority order based on the appropriateness of the housing for the participates needs.

Exiting from a housing service to a permanent housing situation is a goal for all housing programs in the ongoing efforts to reduce and end homelessness. This goal can often be more challenging in certain situations such as persons in emergency shelter that are in severe crisis. Performance for Emergency Shelter household placements into permanent housing is currently at 37%; this measure falls at the lower end of the performance measure benchmark which has a large range of 20% to 60%. As for Transitional Housing placement into permanent housing, which has a rate presently at 36%, this program continues to struggle to meet the specified benchmark of above 80%. For the upcoming year, NHAP will provide technical assistance to ESG Grantees, working to increase placement of households into permanent housing.

With the support of housing stability case management and financial assistance services, NHAP will fund subrecipients who will work to help keep recently housed individuals from returning to homelessness. The goal to increase the percentage of discharged households with more non-cash benefits should help increase the economic security many individuals and families need to maintain their housing.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

Throughout Nebraska, many communities have systems in place aimed towards homeless prevention. Community Action Programs and other non-profits provide wrap around services to address poverty and NHAP is committed to supporting these efforts. CSBG, TANF, and Assistance to the Aged, Blind and Disabled programs are just a few examples of services and/or grants distributed state-wide to provide financial assistance to those who are extremely low-income and require short-term assistance in order to stabilize their housing. NHAP's goal to increase the percentage of discharged households with more non-cash benefits will help those low-income families and individuals to avoid becoming homeless again as well as free up public and private services for other low-income families experiencing struggles with day to day living.

The State will continue to evaluate policies across the CoC regions in order to help low-income individuals and families to avoid becoming homeless, especially extremely low-income families who are being discharged for the publicly funded institutions and systems of care, such as health care facilities, mental health facilities and other youth facilities, and correction programs and

institutions. The CoC regions and NHAP subrecipients actively promote and pursue coordination with community providers and work towards integrating individuals served with mainstream resources and services. NHAP will continue to work and support the CoCs involvement to provide permanent supported housing options for those individuals at highest risk of becoming homeless.

**Discussion**

See above for additional information.

**AP-70 HOPWA Goals – 91.320(k)(4)**

The primary goal of the HOPWA Program is to provide decent, safe and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless. If funding permits, increasing access to employment opportunities/job training is a goal for the program, as well as increasing the number of individuals receiving tenant-based rental assistance. Eligibility for HOPWA funded services requires at least one person in the household be infected with the HIV virus and a household income at or below 80% of the area median income. Households with incomes above 80% of the area median income are eligible to receive HOPWA funded housing counseling and referral services. The priority population for HOPWA is serving the homeless and chronically homeless.

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	49
Tenant-based rental assistance	15
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
<b>Total</b>	<b>64</b>



## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction**

Below is information on the actions planned for 2016 and some background information on the State's efforts toward reducing barriers to affordable housing.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

#### **Discussion**

The Annual Action Plan regulations require the State to describe the State's actions it plans to take during the next year to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing as identified within MA-40 of the 2015-2019 Consolidated Plan. The State has adopted a strategy to remove or ameliorate barriers to affordable housing as identified within SP-55 of the 2015-2019 Consolidated Plan. During the 2016 Annual Action Plan year, the following actions are planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing and these actions include:

#### **Actions related to Tax Policy affecting land and other property**

The State will continue to evaluate steps to alleviate the property tax burden that is a barrier to affordable housing. The State has previously reviewed the tax structure as it relates to school districts, but will also review other areas of the tax policy that may be revised which reduce property taxes for Nebraskans.

In addition, the State will continue to review the tax policies affecting affordable housing and evaluate the impacts of the new legislation under LB356 which revised the method for appraisals made on low income housing tax credit projects that was passed in 2015. The State will review whether the income-approach calculation will reduce the overall taxes on these properties that utilize low income housing tax credits (LIHTCs) and often times also use HOME or NAHTF resources.

#### **Actions related to Land Use Controls and Zoning Ordinances**

The State, because it has very limited influence on land use controls and zoning ordinances, will continue to work with local governments to utilize good practices in ensuring the local land use controls and zoning ordinances do not negatively impact affordable housing development, thus removing an additional barrier to affordable housing. One way in which the State will accomplish this is to continue its collaboration with the Nebraska Chapter of the American Planning Association through its participation at the Nebraska Planning and Zoning Association (NPZA) Conference and other planning and zoning related events. Continued collaboration and educational outreach will assist in these efforts.

### **Actions related to Building Codes**

The State will continue to work with local governments in ensuring that any building codes enacted at the local level do not have a negative impact on affordable housing. Efforts are needed to ensure that local building codes do not hamper additional investment for affordable housing throughout the state. The State will accomplish this through collaborating with community and county officials in educating them on the use of solid building code policy that will focus on ensuring safe and decent housing for individuals, including low income persons, but at the same time implementing policies such as energy efficiency, into the codes.

In addition, the State Department of Economic Development will continue to collaborate with the Nebraska Department of Energy in ensuring that affordable housing projects meet the property code standards within their developments.

### **Actions related to Growth Limits**

The State, because it has very limited influence on communities utilizing regulatory barriers which place limits on the number of market rate, rental, and affordable housing that may be located within a given area, will continue to work with local governments in education and utilization of good practices in reducing the negative impacts of growth limits within communities. Education and outreach can be important tools in showing that mixed income developments (both market rate and rent-restricted units) are not harmful to communities, but can create benefits through the income diversity within a community. The State will continue its outreach which would assist in reducing any negative impacts that growth limits may have on affordable housing.

### **Actions related to Policies Impact Return on Residential Investment**

Because the State does not have control of the amount of residential return on investment, as this is determined at the local level when a property is sold or when it is rented, the State has limited actions it can take to create more favorable policies that may impact return on residential investment. The State hopes that through education and outreach with affordable housing providers that a reasonable return on investment can be obtained within the development of affordable housing projects, which will help in reducing the negative impacts a limited return on investment may have on housing development. The State will continue to work with local governments, housing providers, housing developers, and other affordable housing entities in order to help assist in the creation of favorable policies that improve return on residential investment and that will reduce the negative impacts on policies related to this issue.

### **Actions related to other effects of public policy on affordable housing and residential investment**

The State will continue to evaluate additional barriers or constraints to the development of affordable housing that include: lack of housing contractors throughout the state; housing construction costs (including labor and materials); residential home values in certain markets; lack of sufficient rental units in some communities; lack of residential units for homebuyers (both low income and market rate) in many communities; lack of infrastructure for development, and ; insufficient establishment and enforcement of building codes. Policies related to these must be evaluated as these barriers negatively affect both the private and public sectors in ensuring that proper affordable housing and residential investment is made available within communities throughout the state.

The State will continue to evaluate policies that can be implemented which will work to attract additional residential contractors, particularly those that are willing to construct moderate priced homes in communities. The State will review whether or not there may be policy incentives implemented into State housing programs that may include: providing zero interest loans to contractors to build residential units; providing low priced or free residential lots for development; and also to provide additional points in housing applications for those applicants that compile lists of interested contractors that may work on projects if applications are funded. This approach could also be implemented at the local level and through education and outreach the State could help influence good decision making and policies that would work toward attracting more residential contractors in many underserved markets throughout the state.

The State will also continue to work with developers and contractors to identify any cost saving measures that might be appropriate to implement in order to save on the cost of materials and labor. Policies related to construction cost savings measures could be evaluated which could include increased collaboration between communities and affordable housing providers that utilize job training in their construction practices and thus are able to provide reduced price homes in communities.

Overall, the State will continue to evaluate public policy that may impact the value of residential units in certain markets; the lack of residential units; ways in which to improve residential infrastructure; and code enforcement assistance. All these items will move towards reducing additional barriers to affordable housing.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

The following are actions planned throughout the course of the Consolidated Plan period (2015-2019).

### **Actions planned to address obstacles to meeting underserved needs**

All of the activities which will be funded under the State's CDBG, HOME, ESG, HOPWA Programs and funded under the State's Nebraska Affordable Housing Trust Fund (NAHTF) and Nebraska Homeless Shelter Assistance Trust Fund (HSATF) will address obstacles to meeting underserved needs. The State will identify and respond to underserved needs as they arise from self- evaluation and citizen participation.

### **Actions planned to foster and maintain affordable housing**

The Housing Priority of the Annual Action Plan addresses how the State attempts to foster and maintain affordable housing throughout the state. Actions planned include: developing additional rental housing; developing additional homeownership units; providing down payment assistance; providing owner occupied rehabilitation (OOR) activities, and other housing activities. These actions will be funded through HOME, for rental housing development and activities related to CHDOs; through CDBG, for OOR, and through the NAHTF, for rental development, homeownership activities, OOR, and non-profit operating assistance.

### **Actions planned to reduce lead-based paint hazards**

The State is committed to reducing lead based paint hazards. DED and DHHS will continue its efforts to educate CDBG, HOME, ESG, and HOPWA recipients on the dangers of lead-based paint, as appropriate. In addition, DED ensures that any Housing Program Guidelines contain information on the requirements for lead-based paint work practices and the requirement to have properly trained staff in order to properly mitigate lead-paint hazards as necessary.

The Nebraska Department of Health and Human Services (DHHS), through the Division of Public Health's Lead-Based Paint Program, will coordinate with DED for training, education, and other resources related to lead based paint hazards, and will require the that grantees and sub-grantees utilize staff and contractors that have the appropriate training and certification.

### **Actions planned to reduce the number of poverty-level families**

Many agencies throughout Nebraska actively pursue the elimination of poverty. The role that DED and DHHS perform in this overall endeavor is to foster and promote self-sufficiency and independence. To better empower individuals and families toward self-sufficiency and independence the following strategies will be put to work:

- Promote sustainable economic development through affordable housing and other community development activities;
- Evaluate projects, in part, on the basis of their ability to foster self-sufficiency when awarding funding for projects;
- Maintain a strong relationship with the Continuum of Care system in order to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations;
- Explore partnership opportunities with other agencies that provide a range of services and activities that have a measurable, and potentially major impact, on the causes of poverty in their communities; and
- Enhance efforts to educate the public and interested persons about available supportive services that foster self-sufficiency and independent living arrangements.

### **Actions planned to develop institutional structure**

The State is committed to improving institutional structures. The institutional structure for the CDBG, HOME, ESG, and HOPWA Programs is composed of DED, DHHS, local governments, nonprofit organizations, and private industry. It is essential that these entities efficiently work together. The 2015-2019 Consolidated Plan focuses on improving institutional structure through coordination. Some examples include within the rental housing program (through the collaboration between NIFA and DED) and within the water/wastewater program (through the collaboration between DED and the WWAC).

### **Actions planned to enhance coordination between public and private housing and social service agencies**

DED will continue to coordinate with public partners in the Affordable Housing Agency Committee (AHAC) process which includes regularly scheduled meetings with the Nebraska Investment Finance Authority (NIFA), the USDA, the City of Omaha, the State Historic Preservation Office (SHPO), and any other interested parties in order to discuss current projects and methods to coordinate efforts throughout the state.

In addition, DED works with NIFA through providing technical assistance and financing resources in the NIFA-led Collaborative Resource Allocation in Nebraska (CRANE) process which works at developing housing projects that impact special needs and other underserved populations.

DED also coordinates regularly with the Nebraska Commission on Housing and Homelessness (NCHH) and is represented on various social service state advisory groups to ensure housing services are coordinated with social services for needy populations in Nebraska.

The Nebraska Homeless Assistance Program (NHAP) is housed within the infrastructure of the Department of Health and Human Services. Being part of this collective organization, which includes Behavioral Health, Developmental Disabilities, Medicaid, Public Health and Veteran's Homes, allows for continued collaboration and coordination across the various disciplines in support of the delivery of housing and supportive service needs. At the local level, the BOS works proactively with regional CoC partners. CoC partners engage various public and private nonprofit organizations, such

as local Housing Authorities, Veterans Administration, Employment First, and SNAP to ensure that efficient and effective coordination of services exists between affordable housing and social services.

**Discussion**

Through the above identified actions the State will continue to address these various issues and is committed to addressing these issues throughout the implementation of the 2015-2019 Consolidated Plan.

**Program Specific Requirements**

**AP-90 Program Specific Requirements – 91.320(k)(1,2,3)**

**Introduction**

Activities planned utilizing the CDBG funds expected to be available during the year are identified within the Method of Distribution. The following information identifies program income that may be available for use that would be included in additional projects that would be carried out.

**Community Development Block Grant Program (CDBG)**

**Reference 24 CFR 91.320(k)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	2,000,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>2,000,000</b>

**Other CDBG Requirements**

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

**HOME Investment Partnership Program (HOME)**

**Reference 24 CFR 91.320(k)(2)**

**1. A description of other forms of investment being used beyond those identified in Section**

**92.205 is as follows:**

The State of Nebraska will not use HOME funds beyond those identified in Section 92.205.

**2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

The Appendix to the Annual Action Plan contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: [www.neded.org/aap](http://www.neded.org/aap).

**Guidelines for Resale or Recapture of HOME-Funded Projects**

DED structures these guidelines based on individual program design and market conditions.

**Use of Resale Provisions for HOME-Funded Projects**

The Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: [www.neded.org/aap](http://www.neded.org/aap).

**Use of Recapture Provisions for HOME-Funded Projects**

The Appendix to the Consolidated Plan/AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: [www.neded.org/aap](http://www.neded.org/aap).

**Additional recapture provisions to be established in the DED Grantee homebuyer guidelines**

The DED grantee must adopt the HOME Recapture & Resale provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines.

The Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: [www.neded.org/aap](http://www.neded.org/aap).

**3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: [www.neded.org/aap](http://www.neded.org/aap).

**4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The State of Nebraska does not have any plans to use HOME funds to refinance any existing debt secured by multifamily housing that is rehabilitated with HOME funds.



**Emergency Solutions Grant (ESG)  
Reference 24 CFR 91.320(k)(3)**

**1. Include written standards for providing ESG assistance (may include as attachment)**

Note: ESG standards are a Living document and as such, will be revisited, edited and updated as needed. Any revisions made to this document will be posted on the NHAP website at: [http://dhhs.ne.gov/children\\_family\\_services/Documents/ESG%20Standards%20-%20final.pdf](http://dhhs.ne.gov/children_family_services/Documents/ESG%20Standards%20-%20final.pdf)

See the attached ESG Standards found within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

The CoC is in the process of implementing a coordinated assessment system. The HMIS lead received funding through a HUD award to develop and implement the system. This system will implement a 'no-wrong door' Nebraska-wide approach, that will include initial telephone screening; walk in access through partner agencies statewide, and will be publicized through PSAs and through CAP agencies. The initial assessment will determine whether the household can be diverted from shelter; if not an assessment will be conducted using the VI and FAM SPDAT assessments to prioritize placement in PSH or RRH. Program eligibility minimums will be examined and most appropriate referral programs identified through eligibility module in HMIS. Referrals will be made to programs with available resources and appropriate services to end homelessness for the household.

**3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

In order to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle. The first year of this two-year grant cycle involves a competitive application process that is open to any eligible applicant. The second year is a renewal application process and is open only to existing recipients in good standing.

To be eligible to apply for NHAP funding, applicants must:

- (a) Have at least two years of experience successfully providing services which address the purpose of NHAP, as previously described;
- (b) Identify there is a need for the proposed services;
- (c) Provide evidence of participation in their Continuum of Care;
- (d) Obtain Continuum of Care approval for the proposed services identified in their application and provide documentation of such approval;
- (e) Be exempt from taxation under section 501(c)3 of the Internal Revenue of 1986 or represent a number of eligible applicants;
- (f) Not discriminate based on age, religion, sex, race, color, disability or national origin;

(g) Provide:

- i. Residential housing for at least eight hours of every twenty-four hour period, as defined by the state and federal rules and regulations governing HUD's Emergency Solutions Grant (ESG) program and/or Nebraska's Homeless Shelter Assistance Trust Fund (HSATF); and
- ii. Homelessness prevention, rapid rehousing, street outreach and/or shelter services for individuals and/or families who are homeless or at risk of homelessness in compliance with the state and federal rules and regulations governing HUD's Emergency Solutions Grant (ESG) program and/or Nebraska's Homeless Shelter Assistance Trust Fund (HSATF);

(h) Operate a drug-free premise;

(i) Agree to participate in any count of homeless individuals and/or families and housing inventory undertaken by DHHS or their designee;

(j) Agree to comply with the written ESG standards approved by the Balance of State Continuum of Care and found on the NHAP website at:

[http://dhhs.ne.gov/children\\_family\\_services/Pages/fia\\_nhaphistory\\_of\\_nhaph.aspx](http://dhhs.ne.gov/children_family_services/Pages/fia_nhaphistory_of_nhaph.aspx)

(k) Agree to participate in NHAP's HMIS database by entering data on all persons served and all NHAP-funded activities, with the exception victim or legal service providers who agree to submit annual aggregate data reports;

(l) If requesting funding for homeless prevention and/or rapid rehousing services, agree to assess client eligibility and obtain the necessary documentation to verify the client, the payment/service provided and the housing unit meet HUD's ESG requirements at 24 CFR 576. See also [http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title24/24cfr576\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title24/24cfr576_main_02.tpl)

(m) If requesting funding for shelter services, agree to maintain shelter facility in compliance with HUD's minimum standards at 24 CFR 576.403.

(n) Conduct and submit an annual, certified, external financial audit/financial report for the year immediately preceding the application; and

(o) Submit a correctly completed application, including all the attachments, by the deadline previously specified.

(p) Assume responsibility for having knowledge of and the ability and intent to comply with federal and state Emergency Solutions grant (ESG) and state Homeless Shelter Assistance Trust Fund (HSATF) requirements.

(q) ESG funds are not intended for start-up of new homeless service providers or programs, and duplicative service and program efforts should be avoided. First time applicants are expected to have homeless programs established and be active participants in their local CoC prior to participating in the ESG application process.

During a competitive year, funding priorities for eligible applicants will be based on the following factors:

- Availability of ESG and HSATF funding;
- Current and proposed performance;
- Need for proposed service (i.e., if project was discontinued or not funded, would it create a substantial and recognizable gap in services);
- Applicant's experience including the following:

- Agency history and mission;
- Provision of services to individuals and families experiencing, or at risk of experiencing, homelessness;
- Work with federal grant programs;
- Participation and leadership role in local, regional and/or state CoC;
- Participation and leadership role in special events/projects related to ending and/or preventing homelessness and/or promoting self-sufficiency (e.g., Project Homeless Connect, Stand Down); and
- Verification of CoC attendance.
- Applicant's strategies for:
  - Ensuring compliance with this and other grant-funded programs;
  - Monitoring and improving the accuracy and quality of program data;
  - Supporting and improving program participant self-sufficiency;
  - Coordinating services with mainstream service and housing providers;
  - Connecting program participants with mainstream services; and
  - Maintaining/attaining fiscal stability.
- Approval of applicant's project by relevant CoC;
- Quality of application, budget, budget narrative and personnel narrative.

An allocation formula is used in distributing NHAP grant funds. The formula helps ensure an equitable distribution of funds throughout the entire state. The formula is calculated using a \$50,000 base 'hold harmless' funding amount per geographic Region; the Department of Housing and Urban Development's (HUD) annual Continuum of Care NOFA pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee.

The following NHAP plan was developed in consultation with Nebraska's Continuum of Care: Due to annual fluctuations in the pro rata need amounts and the need to help ensure statewide continuity of necessary services, should applying the formula result in a decrease in funding from the prior year for the majority of the regions, all other regions shall be limited to no more than the specific percentage increase that allows all regions to remain level or have an increase.

If ESG funding is less than anticipated, regional allocations shall be reduced by the same percent.

If ESG funding exceeds what is anticipated, regional allocations shall either be enhanced by the same percentage, an additional amount of HSATF shall be added to the Special Needs funding or a combination of both. Nebraska's CoCs shall be consulted in making this determination.

ESG Funding allocations for Street Outreach and Emergency Shelter services are not allowed to go over 60 percent of the total ESG award.

Applications for the competitive grant process are reviewed by teams composed of representatives of the governor-appointed Nebraska Commission on Housing and

Homelessness; State, Regional or Local Continuum of Care Committees; Department of Health and Human Services; and/or other agencies or organizations with experience in service delivery to those experiencing, or at risk of experiencing homelessness. NHAP will facilitate the review process.

Using the criteria performance criteria identified, which were developed based on input from the Continuums of Care via electronic survey, the grant review teams assigns points to each application, up to a maximum total of 100 points, and provides recommendations on funding to NHAP.

**4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

All NHAP sub-recipients are expected to involve homeless or formerly homeless individuals on the Board or actively consult with them regarding ESG policies, funding and activities.

During on-site monitoring visits conducted by the State, NHAP sub-recipients are required to be able to demonstrate this assurance is being met.

**5. Describe performance standards for evaluating ESG.**

The primary goals the State strives NHAP sub-recipients to achieve include reducing the length of homelessness, reducing returns to homelessness and maintaining/increasing income.

Through a performance report card with performance metrics that has been established by the BoS CoC, performance on these goals can be measured. Currently a report is issued through HMIS and distributed bi-annually to all CoC and ESG grantees. The state will be moving to adopt and incorporate these performance measurements as an evaluation component of how successful NHAP sub-recipients are at reaching and achieving program standards. The performance measurements will also be used to increase housing stability.

Part of the performance measures specifically relates to housing stability. With the housing stability information collected, the State and BoS CoC will jointly review and work to develop strategies which can help providers assist the homelessness gain stable housing. See also Performance Measures Section within the Appendix ([www.neded.org/aap](http://www.neded.org/aap)).

**Discussion**

See above for additional information.

# **STATE OF NEBRASKA**

## **2016**

### **Annual Action Plan**

### **Appendix**

**DEPARTMENT OF ECONOMIC DEVELOPMENT**

**DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT**

**Housing, Community Development, & Economic Development Programs**



**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Homeless Services & HOPWA Services Programs**



**Effective July 1, 2016 - June 30, 2017**

## ALLOCATION OF 2016 FUNDS

The Annual Action Plan for 2016 summarizes categories and priorities for the distribution of an anticipated \$9.5 million in Community Development Block Grant (CDBG) funds, \$3 million in HOME program funds, over \$940,000 in Emergency Solutions Grant (ESG) funds; and over \$370,000 in Housing Opportunities for Persons with AIDS (HOPWA) funds from the U.S. Department of Housing and Urban Development (authorized under the Housing and Community Development Act of 1974, as amended); \$3 million in Homeless Shelter Assistance Trust Fund (HSATF) funds (this amount is based on revenue projections by the Nebraska Department of Revenue); and \$10 million in Nebraska Affordable Housing Trust Fund (NAHTF) funds.

2016 Allocation							
	CDBG <sup>5</sup>	NAHTF <sup>6</sup>	HOME	ESG	HSATF <sup>7</sup>	HOPWA <sup>8</sup>	Total Funds
<b>Distribution<sup>1</sup></b>	\$9,545,855	\$9,500,000	\$2,721,060 (90%)	\$871,178 (92.5%)	\$2,925,000	\$359,300 (97%)	<b>\$25,922,393</b>
<b>State Admin &amp; Operations<sup>3</sup></b>	\$398,325 <sup>2</sup>	\$500,000	\$302,340 (10%)	\$70,636 (7.5%)	\$75,000	\$11,112 (3%)	<b>\$1,357,413</b>
<b>Technical Assistance</b>							
<b>Total 2016 Allocation<sup>4</sup></b>	<b>\$9,944,180</b>	<b>\$10,000,000</b>	<b>\$3,023,400</b>	<b>\$941,814</b>	<b>\$3,000,000</b>	<b>\$370,412</b>	<b>\$27,279,806</b>

<sup>1</sup> Funds available for distribution to eligible program applicants and local governments.

<sup>2</sup> Dollar amount reserved for state administration and technical assistance may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations.

<sup>3</sup> State recipients and sub-recipients may also receive administrative funds.

<sup>4</sup> Includes all distribution, state administration, and technical assistance available from 2016 CDBG, NAHTF, HOME, HOPWA, ESG, and HSATF programs (does not include reallocated funds).

<sup>5</sup> \$298,325 will be provided by DED as match to the CDBG administration allocation. This amount fulfills the matching requirements of the CDBG Program.

<sup>6</sup> A minimum of \$680,265 of the NAHTF allocation will be committed as HOME Match to meet the 25% HOME Match requirement for the \$2,721,060 in non-administration funds.

<sup>7</sup> The HSATF allocation of \$3,000,000 surpasses the ESG Program dollar-for-dollar matching requirement (and represents aid and administration).

<sup>8</sup> Includes an estimated \$18,988 in administrative expenses to Nebraska AIDS Project (HOPWA Project Sponsor).

## 2016 Categorical Distribution

Priority/Category	CDBG	NAHTF	HOME	ESG	HSATF	HOPWA
<b>Section Three: Housing</b> Affordable Housing Program  <ul style="list-style-type: none"> <li>• CHDO set-aside</li> </ul>	\$1,900,000	\$9,500,000	\$2,121,060  \$600,000			
<b>Section Four: Community Development</b> <ul style="list-style-type: none"> <li>• Comprehensive Development</li> <li>• Public Works</li> <li>• Water Wastewater</li> <li>• Planning</li> <li>• Downtown Revitalization</li> </ul>	\$2,345,855  \$1,000,000 \$1,000,000 \$250,000 \$1,000,000					
<b>Section Five: Economic Development</b> <ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Tourism Development</li> </ul>	\$1,700,000 \$350,000					
<b>Section Six: Homeless Services</b> <ul style="list-style-type: none"> <li>• Homeless Shelter &amp; Homeless Assistance and Prevention Services</li> </ul>				\$871,178	\$2,925,000	
<b>Section Seven: HOPWA Services</b> <ul style="list-style-type: none"> <li>• Housing Opportunities for persons With AIDS</li> </ul>						\$359,300
<b>TOTAL DISTRIBUTION</b>	<b>\$9,545,855</b>	<b>\$8,500,000</b>	<b>\$2,721,060</b>	<b>\$871,178</b>	<b>\$2,925,000</b>	<b>\$359,300</b>

Funding resources from CDBG, HOME, ESG, HOPWA, HSATF, and the NAHTF provide opportunities for creating decent, affordable housing and a suitable living environment, and expanding economic opportunity through economic self-sufficiency and quality jobs to Nebraska.

## 2016 Application Acceptance Dates

### Nebraska Department of Economic Development Housing and Community Development Division Programs

Funding Priority/Category	Application Closing
<b>Housing</b>	
Nebraska Affordable Housing Program <ul style="list-style-type: none"> <li>• NAHTF Annual Cycle               <ul style="list-style-type: none"> <li>▪ Pre-application</li> <li>▪ Full Application</li> </ul> </li>   <li>• CDBG OOR Cycle               <ul style="list-style-type: none"> <li>▪ Pre-application</li> <li>▪ Full Application</li> </ul> </li>   <li>• CHDO Cycle               <ul style="list-style-type: none"> <li>▪ Designation Request</li> <li>▪ Full Application</li> </ul> </li> </ul> LIHTC Tax Credit Application with NIFA/DED	 April 1, 2016 May 13, 2016  August 5, 2016 October 5, 2016  August 5, 2016 October 5, 2016  January 19, 2016 (Round 1) March 2016 (Round 2) CRANE Cycle (Ongoing) 4% Credit (Ongoing)
<b>Community Development</b>	
Comprehensive Development <ul style="list-style-type: none"> <li>• Phase I Application</li> <li>• Phase II Application</li> </ul>	September 15, 2016 July 31, 2017
Public Works <ul style="list-style-type: none"> <li>• Pre-Application</li> <li>• Full Application</li> </ul>	May 9, 2016 August 8, 2016
Water Wastewater	Open Cycle, begins May 1, 2016



## 2016 Application Acceptance Dates (Continued)

### Nebraska Department of Economic Development

Community Development Program

Economic Development Program

### Nebraska Department of Health and Human Services

Homeless Services Program and HOPWA Program

Funding Priority/Category	Application Closing
<b>Community Development (Continued)</b>	
Downtown Revitalization <ul style="list-style-type: none"> <li>• First Cycle               <ul style="list-style-type: none"> <li>▪ Phase I Application</li> <li>▪ Phase II Application (Project)</li> </ul> </li> <li>• Second Cycle (If Needed)</li> </ul> Planning <ul style="list-style-type: none"> <li>• First Cycle</li> <li>• Second Cycle</li> </ul>	May 31, 2016 February 28, 2017 To Be Determined  April 2016 Open Cycle, begins after First Cycle
<b>Economic Development</b>	
Economic Development	Open Cycle
Tourism Development	Open Cycle (begins May 2016)
<b>Homeless Services</b>	
ESG & HSATF Applications	February 2016
<b>HOPWA</b>	
HOPWA Application	Open Cycle

For additional information please visit the Department's website at <http://www.neded.org> for the most current information regarding the 2016 Community Development & Housing Application Guideline, Guideline Workshops, and other training events.

## **CDBG Program Income**

### **(Estimated Amount for the State in 2016 - \$2,000,000)**

Program income is defined as gross income received by a State, a unit of general local government, or a subgrantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used.

The State may use up to 3% of the amount recaptured and reportable to HUD each year for administrative expenses under the Nebraska Community Development Block Grant (CDBG) Program, including amounts recaptured and reported to HUD from and during all open grant years.

Program income includes, but is not limited to, the following:

- (1) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government.” [See also 24 CFR 570.489(e)(2)(v)];
- (2) Proceeds from the disposition of equipment purchased with CDBG funds;
- (3) Gross income from the use or rental of real or personal property acquired by the unit of general local government or subgrantee of the unit of general local government with CDBG funds, less the costs incidental to the generation of the income;
- (4) Gross income from the use or rental of real property, owned by the unit of general local government or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- (5) Payments of principal and interest on loans made using CDBG funds, except in instances where “Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government, toward a loan from the local government to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;” [See also 24 CFR 570.489(e)(2)(iii)];
- (6) Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- (7) Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- (8) Interest earned on funds held in a revolving fund account;
- (9) Interest earned on program income pending disposition of the income;

(10) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and

(11) Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is seeking to provide a policy for use of program income that coordinates local and State resources to the fullest extent possible. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations.

Federal regulations also allow the State to require the return of program income provided the local government has an opportunity to retain the program income if the program income will be used to continue the activity from which it was derived. The State is permitted to define "continuing the same project activity."

For the purposes of program income, "continuing the same project activity" will be defined as:

- For local governments with existing program income in an existing Local ED Revolving Loan Fund, or who are currently utilizing the NDO process, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the grantee's new DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- For newly awarded economic development grantees (including those units of general local government awarded new CDBG funds during the current Program Year for new CDBG eligible activities), program income that was generated from the use of CDBG funds for the above mentioned newly awarded activities may be deposited into an existing Local ED Revolving Loan Fund or a new Local ED Revolving Loan Fund. Any program income that is deposited in this manner, continuing the same project activity will include providing assistance to the same business for the same activity for which it was originally funded.

- For newly awarded economic development grantees (including those units of general local government awarded new CDBG funds during the current Program Year for new CDBG eligible activities), program income that was generated from the use of CDBG funds for the above mentioned newly awarded activities may utilize the NDO process. In the instance where the NDO process is utilized, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the grantee's DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- For grantees with eligible housing activities under Title I of the Housing and Community Development Act of 1974 (as amended), continuing the same project activity will include activities for owner occupied rehabilitation, down payment assistance, and rental rehabilitation that will meet a national CDBG objective.

The following information pertains specifically to Economic Development Program Income, Housing Program Income, and Other CDBG Program Income.

### **Economic Development Program Income and the State's Revolving Loan Fund**

CDBG program income may be retained by local governments, utilized through the NDO process, or returned to the Department of Economic Development. Any CDBG program income that has been returned to the Department is utilized within the State's program income Revolving Loan Fund (also known as the State RLF). The State provides CDBG funds to local governments (in the form of new CDBG projects) for specific eligible CDBG activities that would meet the necessary criteria under the Economic Development Program category.

Funds are awarded to each local government for a specific identified purpose to then either grant funds to a Community-based Development Organization (also known as a NDO) to undertake a project that utilizes a business loan consistent with the Community Development Act Section 105(a) (15) requirements or for a community to provide a loan to a business.

In both instances mentioned above, projects funded within the State RLF must meet CDBG requirements that include meeting the CDBG National Objective of low to moderate income jobs for the purposes of job creation or job retention.

When a community applies for ED resources, the Department will determine whether or not CDBG funds from the Annual Allocation or the State RLF are appropriate for the project.

In general, when the community is requesting ED resources for the purposes of infrastructure development then those projects would be funded through the Annual Allocation. Projects for infrastructure development include both public infrastructure (i.e. activities for community owned or controlled infrastructure) and also for private infrastructure (i.e. streets, and other infrastructure improvements located on privately owned property). Infrastructure projects provide resources utilizing performance based loans which may include forgivable loans that are not paid back if a business complies with a CDBG National Objective and other CDBG requirements and also grants to communities where no CDBG funds are paid back. Other non-infrastructure related projects are funded through the State RLF.

Overall, when an Economic Development project includes non-infrastructure related activities that utilize a business loan consistent with the Community Development Act (as mentioned above), or a

direct loan to a business by a community, then the State RLF will be used. When an ED project includes infrastructure related activities that do not utilize business loans consistent with the Community Development Act (as mentioned above), or use direct loan to businesses by a community, then the Annual Allocation will be used. The above mentioned process is consistent with the CDBG requirements of 24 CFR 570.489(f) (2).

### **Economic Development Program Income and Units of General Local Government**

The unit of general local government (also known as the local government) has the following options for utilizing CDBG program income that local government may receive. These options include:

- 1) Returning the program income funds to DED;
- 2) Using the program income within an existing Local ED Revolving Loan Fund;
- 3) Establishing a Local ED Revolving Loan Fund; or
- 4) Utilizing the NDO process.

Below are the specific requirements that relate to the option that the general local government has chosen for its use of program income.

#### **Returning the program income funds to DED**

Units of general local government may return the program income they receive to DED. The process for returning program income funds includes: 1) sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income funds are being returned; and 2) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG funds that the community is returning. Any future program income payments a community may receive, and will be returning to the Department, should be collected by the unit of local government and those funds should be returned to the Department once there is a reasonable balance (i.e. returned every six months, or every year, depending on whether or not there is a reasonable balance).

If a unit of local government wishes to return program income that is in an Existing Local ED Revolving Loan Fund, and wishes to discontinue the Local ED Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community's Local ED Revolving Loan Fund and that the local government is discontinuing the Local ED RLF;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to DED.

If a unit of local government wishes to return program income that is in an Existing Local ED Revolving Loan Fund, but wishes to continue to operate the Local ED Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community's Local ED Revolving Loan Fund;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive would be deposited in the Existing Local ED Revolving Loan Fund.

### **Using the program income within an existing Local ED Revolving Loan Fund**

In order to retain CDBG program income, and the local government chooses to utilize an existing Local ED RLF it will do so by completing the following steps:

- 1) The unit of local government must provide DED with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of "continuing the same project activity" as defined above.
- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - A detailed description of the unit of local government;
  - A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of "continuing the same project activity";
  - A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
    - vi) The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically low-to-moderate jobs.

- vii) The local government understands that all projects funded through the Local ED RLF must meet a CDBG National Objective; and
- viii) The local government understands that DED must approve this Local Reuse Plan.
- 4) The Local Reuse Plan must be approved by DED and, upon approval, DED will enter into a contract with each local government to operate the Local ED Revolving Loan Fund. The contract will include a process for compliance monitoring and closeout of the Local ED Revolving Loan Fund. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, job creation information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local ED Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Revolving Loan Fund.

**Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.**

**In no case shall a Local ED RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.**

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local ED Revolving Loan Fund must be locally monitored and the amount of program income within the Local ED RLF must be reported to DED. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, proposed and actual jobs created, and amendments to the original loan or lease agreement, as required by the DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local ED Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.

- 6) Local governments that are currently operating a Local ED Revolving Loan Fund and choose to discontinue the operation of the Local ED Revolving Loan Fund can return the funds to DED by following the requirements for “Returning the program income funds to DED” as noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED Revolving Loan Fund. The State will review loans from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

### **Establishing a Local ED Revolving Loan Fund**

In order to retain CDBG program income, and the local government chooses to establish a Local ED RLF it will do so by completing the following steps:

- 1) The unit of local government must provide DED with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” that is defined for new ED projects as noted above and includes “providing assistance to the same business for the same activity for which it was originally funded.”
- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Local Reuse Plan. The Local Reuse Plan must include:
  - A detailed description of the unit of local government;
  - A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i. The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
    - ii. The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii. The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;
    - iv. The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v. The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
    - vi. The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically low-to-moderate jobs.
    - vii. The local government understands that all projects funded through the Local ED RLF must meet a



CDBG National Objective; and

viii. The local government understands that DED must approve this Local Reuse Plan.

- 4) The Local Reuse Plan must be approved by DED. This Local Reuse Plan must be made using a DED-approved form within 90 calendar days from the date of the local government's Notice of Approval letter. If the local government's Local Reuse Plan is not submitted to DED within the 90-day period, DED will require all program income be returned to the State.

DED must approve this Local Reuse Plan and, upon approval, will enter into a contract with each local government to operate the Local ED Revolving Loan Fund. The contract will include a process for compliance monitoring and closeout of the Local ED Revolving Loan Fund. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, job creation information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local ED Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Revolving Loan Fund.

**Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.**

**In no case shall a Local ED RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.**

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as "continuing the same project activity", has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as "continuing the same project activity", must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED Revolving Loan Fund must be consistent with the requirements of the Local Reuse Plan that must be approved by DED prior to the local government approving any applications for activities.
- 4) All program income within the Local ED Revolving Loan Fund must be locally monitored and the amount of program income within the Local ED RLF must be reported to DED. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, proposed and actual jobs created, and amendments to the original loan or lease agreement, as required by the DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the

original grant is open or closed when the program income is received. In addition, all program income expended from the Local ED Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.

- 6) Local governments that are currently operating a Local ED Revolving Loan Fund and choose to discontinue the operation of the Local ED Revolving Loan Fund can return the funds to DED by following the above requirements for "Returning the program income funds to DED" noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED Revolving Loan Fund. The State will review loans from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

### **Utilizing the NDO process**

A unit of general local government may seek to form a sub-grantee relationship with a local nonprofit organization to carry out the CDBG activities on behalf of the local government. The local government funded by the State for an ED project, or a local government with an existing Local ED RLF, would grant the CDBG funds awarded to a Nonprofit Development Organization (NDO), such as a community development organization or a local economic development corporation. The NDO must be recognized (through an application process) by the State according to the requirements of 24 CFR 570.204 to carryout funded activities through a contract with the local government grantee for activities in which it retains a direct and controlling involvement and responsibilities for the provision of financial assistance to the community's ED project.

The activity carried out by the NDO must meet the requirements of Section 105 (a)(15) of the Housing and Community Development Act (HCDA). Section 105 (a)(15) provides the provision, which allows as eligible assistance to neighborhood based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization and community economic development projects.

The NDO process includes, but is not limited to, the following:

- The local government, which is a recipient of State CDBG funds, makes a loan to a for-profit business for economic development activities in accordance with the State's program requirements.
- The local government executes an agreement with the NDO, which executes the loan agreement for the CDBG funds loaned to the for-profit business. The NDO, the local nonprofit organization, would use the repayment of the funds from the for-profit business to make additional loans, such as for economic development activities.
- The repayment of the CDBG loan is made to the NDO, and not to the local government, and the NDO retains the payments for future use through a Revolving Loan Fund (RLF), which includes a NDO Reuse Plan approved by DED through the NDO designation application process. The approved NDO Reuse Plan must ensure that activities funded by the RLF meet broad based economic development investments. The funds repaid to the NDO to continue economic development

activities would not be considered program income.

- The NDO reinvests in the community through its established RLF, which can fund additional loans in the service area of the NDO.

For new CDBG Economic Development grants, the local government grantee and the NDO would submit a proposal to the State authorizing the approval of an arrangement between the local government and the NDO for the NDO to carry out the funded activities on behalf of the local government and for repayments to go to the NDO's RLF. The designated NDO must have already received approval from DED and will have an approved NDO Reuse Plan in place.

As an example of this process, the NDO would carry out the activities of the grant awarded to the local government for assistance to the for-profit business. During this period, the local government would ensure that all CDBG rules and regulations were followed for this initial loan. The repayments from the business to the NDO's RLF would not be considered program income. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the DED-approved NDO Reuse Plan established by the NDO. Funds would be reinvested in broad based economic development activities.

Local governments currently operating a Local ED Revolving Loan Fund (RLF) may choose to enter into an agreement with a designated NDO to carry out activities with the Local ED Revolving Loan Fund. The NDO must be designated by DED with a DED- approved NDO Reuse Plan. The NDO must also include the local government in its service area. Once the funds are repaid to the NDO, the funds would no longer be subject to the CDBG federal rules and regulations, providing a pool of Revolving Loan Fund dollars subject only to the requirements of the NDO Reuse Plan.

It will be the responsibility of the local government, in coordination with the NDO, to determine the entity responsible for carrying out the activities of the ED project and the entity who will be responsible for administering the project. In some instances there may be one entity carrying out the project activities and a separate entity administering the grant. Grant administration and carrying out CDBG activities on behalf of the local government grantee are two separate activities.

### **Housing Program Income**

The unit of general local government has the following options for utilizing CDBG housing program income that unit of local government may receive. These options include:

- 1) Returning the program income funds to DED;
- 2) Retaining the program income and using it for CDBG eligible housing related activities;
- 3) Using the program income within an existing Local Housing Revolving Loan Fund; or
- 4) Establishing a Local Housing Revolving Loan Fund.

Below are the specific requirements that relate to the option that the unit of general local government has chosen for its use of program income.

### **Returning the program income funds to DED**

Units of general local government may return the program income they receive to DED. The process for returning program income funds includes: 1) sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income

funds are being returned; and 2) sending a check payable to the “Nebraska

Department of Economic Development” to the Department for the amount of CDBG funds that the community is returning. Any future program income payments a community may receive, and will be returning to the Department, should be collected by the unit of local government and those funds should be returned to the Department once there is a reasonable balance (i.e. returned every six months, or every year, depending on whether or not there is a reasonable balance).

If a unit of local government wishes to return program income that is in an Existing Local Housing Revolving Loan Fund, and wishes to discontinue the Local Housing Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing Revolving Loan Fund and that the local government is discontinuing the Local Housing RLF;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to DED.

If a unit of local government wishes to return program income that is in an Existing Local Housing Revolving Loan Fund, but wishes to continue to operate the Local Housing Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing Revolving Loan Fund;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive would be deposited in the Existing Local Housing Revolving Loan Fund.

### **Retaining the program income and using it for CDBG eligible housing related activities**

In order to retain CDBG program income that is not in an existing Local Housing RLF, the unit of local government will maintain their program income in a Local CDBG Program Income Account and adopt a Local Reuse Plan that includes a detailed description of the local government, and includes administration and priorities of the program income projects to be approved by the local government which are consistent with the definition of “continuing the same project activity” as described above.

A local government’s Local Reuse Plan must state that all projects will consist of activities that benefit low-to-moderate income persons, specifically low-to-moderate income housing as defined within the local government’s DED-approved Local Reuse Plan, as part of the local government’s contractual requirements with the Department.

At any time during the contract period, a local government will have the option to discontinue utilizing the housing program income and return it to the Department. DED will apply the funds to the State

CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

**Local program income funds are federal and are subject to all applicable CDBG rules and regulations.**

**In no case shall a local government's program income account have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.**

The local government will be responsible for reporting housing program income to the Department twice a year (July and December) and these reports will be reviewed by Department staff.

If at the end of the calendar year in which the unit of local government has reported, the total balance of the Local CDBG Program Income Account is \$35,000 or less, these funds will no longer be considered program income, and will no longer require any additional reporting to the Department.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as "continuing the same project activity", has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as "continuing the same project activity", must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used for additional activities must be consistent with the requirements of the Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local CDBG Program Income Account must be locally monitored and the amount of program income within that account must be reported to DED. Status updates concerning the program income funds shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, housing activities, and amendments to the original loans, as required by the DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local CDBG Program Income Account is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local CDBG Program Income Account.
- 6) Local governments that are currently utilizing a Local CDBG Program Income Account and choose to discontinue the operation of that Local Account can return the funds to DED by following the above requirements for "Returning the program income funds to DED" noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to utilize a Local CDBG Program Income Account. The State will review project activities from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

### **Using the program income within an existing Local Housing Revolving Loan Fund**

In order to retain CDBG program income that is in an existing Local Housing RLF, the unit of local government will have to certify and ensure that the Local Housing RLF is properly established in order to meet DED requirements. This Local Housing RLF would be utilized for the purposes of retaining CDBG program income, and reusing that program income, for the purposes of carrying out specific housing activities, which in turn, generate payments to the RLF for use in carrying out additional housing activities.

If the local government chooses to utilize an existing Local Housing RLF it will do so by completing the following steps:

- 1) The unit of local government must provide DED with a written Notice of Intent to use a Local Housing Revolving Loan Fund (Local Housing RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local Housing RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - A detailed description of the unit of local government;
  - A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;
    - vi) The local government understands that all projects will consist of housing activities

- that benefit low-to-moderate income persons;
  - vii) The local government understands that all projects funded through the Local Housing RLF must meet a CDBG National Objective; and
  - viii) The local government understands that DED must approve this Local Reuse Plan.
- 4) The Local Reuse Plan must be approved by DED and, upon approval, will enter into a contract with each local government to operate the Local Housing Revolving Loan Fund. The contract will include: a requirement for the local government to develop program guidelines specific to the CDBG eligible activities that will be undertaken with the program income funds; and a process for compliance monitoring and closeout of the Local Housing RLF. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, housing activity information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

**Funds in a Local Housing Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.**

**In no case shall a Local Housing RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.**

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local Housing Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing Revolving Loan Fund must be locally monitored and the amount of program income within the Local Housing RLF must be reported to DED. Status updates concerning the outstanding loans shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, activities completed, and amendments to the original loan, as required by the DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original

grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF.

- 6) Local governments that are currently operating a Local Housing Revolving Loan Fund and choose to discontinue the operation of the Local Housing Revolving Loan Fund can return the funds to DED by following the above requirements for "Returning the program income funds to DED" noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local Housing Revolving Loan Fund. The State will review project activities from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.



## Establishing a Local Housing Revolving Loan Fund

In order to retain CDBG program income, the local government may choose to establish a Local Housing RLF. The unit of local government will have to certify and ensure that the Local Housing RLF is properly established in order to meet DED requirements. This Local Housing RLF would be utilized for the purposes of retaining CDBG program income, and reusing that program income, for the purposes of carrying out specific housing activities, which in turn, generate payments to the RLF for use in carrying out additional housing activities.

If the local government chooses to establish a Local Housing RLF it will do so by completing the following steps:

- 1) The unit of local government must provide DED with a written Notice of Intent to use a Local Housing Revolving Loan Fund (Local Housing RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local Housing RLF locally and employ the services of Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - A detailed description of the unit of local government;
  - A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;

- vi) The local government understands that all projects will consist of housing activities that benefit low-to-moderate income persons;
  - vii) The local government understands that all projects funded through the Local Housing RLF must meet a CDBG National Objective; and
  - viii) The local government understands that DED must approve this Local Reuse Plan.
- 4) The Local Reuse Plan must be approved by DED and must be made using a DED- approved form within 90 calendar days from the date of the local government's Notice of Approval letter. If the local government's Local Reuse Plan is not submitted to DED within the 90-day period, DED will require all program income be returned to the State.

Upon approval of the Local Reuse Plan, DED will enter into a contract with each local government to operate the Local Housing Revolving Loan Fund. The contract will include: a requirement for the local government to develop program guidelines specific to the CDBG eligible activities that will be undertaken with the program income funds and will include a process for compliance monitoring and closeout of the Local Housing RLF. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, housing activity information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

### **Discontinuation of Regional CDBG Housing Revolving Loan Funds**

Due to the changes within the CDBG regulations, current Regional CDBG Housing Revolving Loan Funds will no longer be permitted to assist communities throughout a given region. This information was provided within the 2014 Annual Action Plan (See Section 2-18 of 2014 AAP) and continues to be applicable within the 2016 Proposed Annual Action Plan.

The CDBG Housing RLF Administrators who are currently operating these Regional Housing Revolving Loan Funds must work directly with the units of general local government who have previous Housing program income within these Regional RLFs to evaluate the best option for each community on what to do with the community's previous Housing program income that can no longer be utilized through a regional approach.

There are two options available for funds within these Regional Housing RLFs. These include:

- 1) Returning the funds to DED. Program income returned to the State will be committed to the State Revolving Loan Fund and shall be distributed according to the requirements of Title I of the Community and Development Act of 1974 (as amended). For more information see "Returning the program income funds to DED" above.
- 2) Depositing local funds into a Local Housing Revolving Loan Fund. The Regional RLF Administrator would be required to determine the amount of funds available to each unit of general local government from the Regional RLF in order for each community to be able to determine whether or not program income funds should be returned to the State or whether those program income funds should be deposited into an existing or newly created Local Housing RLF or whether other options, as noted above, are chosen by the local government. For more information on the choices for local governments' use of their program income see above.

### **Other CDBG Program Income**

Program income generated from other CDBG activities including those under the Community Development Priority, including Comprehensive Revitalization, CIS, Public Works, Water/Wastewater, Planning, and Downtown Revitalization would follow the above mentioned steps with the need for any necessary adjustments related to non-economic development or non-housing activities.

## HOME PROGRAM ADDITIONAL INFORMATION

### HOME Program Income

Program income, which the grantee has received or expects to receive as a result of grant activities, should be utilized and in conformance with the grantee's reuse plan as defined within the grantee's approved Program Guidelines for each HOME project.

In general, the Department continues to provide flexibility for housing organizations to use program income, particularly for projects that are funded through the HOME program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that for HOME program income (i.e. reuse funds) an organization should use their program income for the same activities awarded within the original project, or for other housing related activities, as long as those are HOME-eligible activities. This information would be noted within the Grantee's, Department approved, Reuse Plan.

For example, if the Department funds an Owner Occupied Rehab project, and program income is received, the Grantee should use the program income for additional OOR activities or for other housing related activities as identified within the Grantee's Reuse Plan (i.e. down payment assistance, etc.).

Additional information will be provided regarding the HOME within the HOME Application Guidelines

## GUIDELINES FOR RESALE OR RECAPTURE OF HOME-FUNDED PROJECTS

DED structures these guidelines based on individual program design and market conditions.

### Use of Resale Provisions for HOME-Funded Projects

Resale provisions ensure that the housing is made available for subsequent sale to a HOME Program eligible buyer and that such buyer will use the property as their principal residence. Resale provisions will be utilized for projects involving development subsidies. A development subsidy is the difference between the cost of developing or producing the housing unit and the market value of the housing unit. A development subsidy does not go directly to the homebuyer; it makes the development of an affordable housing unit more feasible.

Resale provisions will be enforced through imposition of liens (such as mortgages or deeds of trust), deed restrictions, covenants running with the land, or other similar mechanisms. Projects will be monitored for the duration of the affordability period to ensure that the housing is affordable to purchasers subsequent to the original homeowner, that subsequent purchasers are eligible, and that the original HOME-assisted owner receives a fair return on investment.

Any HOME-assisted unit that is resold will be made available to a reasonable range of low-income homebuyers (i.e. 70% to 80% of the Area Median Income) that will use the property as their principal residence and remain in the home for the period of affordability.

Fair return on investment will be calculated for the original HOME-assisted homebuyer upon sale of the HOME-assisted unit to a subsequent homebuyer. DED will not tie fair return on investment to the sales price that a specific, subsequent homebuyer is able to pay. DED will take into account both market appreciation and depreciation. In a depressed or declining market, a loss on investment could constitute a fair return.

Fair return on investment will include:

- 1) the HOME-assisted homebuyer's original investment (i.e. any down payment);
- 2) the value of specific types of capital improvements made by the original homebuyer that may add value to the property. The value of capital improvements will be calculated utilizing the average percent of the cost recouped that a specific type of improvement brings at the time of home sale (i.e. kitchen remodels, basement finishes, additions, etc.) based on industry estimates from the "Cost versus Value Report". The most current value estimates can be found at: <http://www.remodeling.hw.net/cost-vs-value/2016/> and
- 3) the percentage of change as calculated by the Housing Price Index (HPI) Calculator of the Federal Housing Finance Agency. The HPI Calculator is currently located within the Federal Housing Finance Agency website at: <http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx> and projects what a given house purchased at a point in time would be worth today if it appreciated at the average appreciation rate of the homes in the area. The calculation shall be performed for the state of Nebraska or the applicable Metropolitan Statistical Areas and Divisions (MSA/MSAD) where the home is located (the current HPI data for Nebraska's MSA/MSAD include: Grand Island, NE; Lincoln, NE; Omaha-Council Bluffs, NE-IA; and Sioux City, IA-NE-SD). Once the percentage is calculated, that percentage of change in home value will be multiplied by the HOME-assisted homebuyer's original investment (i.e. any down payment) and value of capital improvements to determine what the total "fair return on investment" will be for the original homebuyer.

For example, if a PJ provided HOME funds for the construction of a single-family home unit in 2004 in Norfolk for \$105,000 and the home was sold to a homebuyer who provided \$5,000 in down payment assistance. The homebuyer owned the home for 10 years until 2014, and during that time completed a bathroom remodel at a cost of \$8,000. In order to calculate the fair return on investment it would be necessary to determine the amount of downpayment assistance (\$5,000); the value of the capital improvement ( $\$8,000 \times 58\% = \$4,640$ ); and the percentage of change using the HPI Calculator.

For purposes of using the Federal Housing Finance Agency's HPI Calculator, the home was purchased in the 3rd Quarter of 2004, and will be calculated using the most current Quarter available. For the \$105,000 home purchased in 2004, the current value using the HPI Calculator would be \$115,698, so the percentage of change would be a 10.2 percent increase since the original purchase ( $\$115,698 - \$105,000 / \$105,000 \times 100\% = 10.2\%$ ).

In this example, the total fair return on investment at the time of sale, assuming the price at sale permitted the original homebuyer to realize a full return on his/her investment, would be \$983 ( $\$5,000 + \$4,640 = \$9,640 \times 10.2\% = \$983$ ).

In order to realize a full return on investment to the original homebuyer, the sales price of the home would have to be approximately \$115,623 (original home \$105,000 plus \$5,000 in down payment assistance; plus \$4,640 in the value of capital improvements; and a fair return of  $\$983 = \$115,623$ ).

In the event that the minimum sales price must be less to ensure affordability to a subsequent low-income homebuyer, which would be less than the minimum sales price to ensure a fair return on investment, the home sales price would be adjusted upward to include HOME assistance available for down payment and closing cost assistance. In this instance, the subsequent homebuyer would receive priority consideration for down payment and closing cost assistance provided by DED HOME funds available within the service area from DED HOME-funded homebuyer assistance providers, or additional HOME resources in order to ensure that unit is affordable to the subsequent homebuyer.

These restrictions may terminate upon the occurrence of events such as foreclosure or transfer in lieu of foreclosure, but shall be revived according to their original terms if, during the original affordability period, the owner of record before the termination event, or any newly formed entity that includes the former owner, or those with whom the former owner has or had family or business ties, obtains an ownership interest in the housing unit.

## **Use of Recapture Provisions for HOME-Funded Projects**

When a homebuyer receives direct homebuyer assistance from HOME funds, recapture provisions are placed on the transaction to ensure that HOME funds are recouped if the housing unit does not continue to be the principal residence of the household for the duration of the HOME-required affordability period.

*Amount subject to recapture:* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but does not include the amount, if any, of development subsidy provided (the amount between the cost of producing the unit and market value of the property).

Any recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of 24 CFR Part 92.254.

If the HOME assistance is only used for development subsidy, and therefore not subject to recapture, the resale option must be used.

*Net proceeds:* the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

When the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit during the HOME-required affordability period, the amount recaptured cannot exceed the net proceeds, if any.

If a home is sold to a subsequent low-income homebuyer, and no additional HOME assistance is provided, then the subsequent homebuyer may assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability).

When HOME recapture funds are received by the DED grantee, these funds must be utilized for additional HOME-eligible activities and must comply with the HOME rules at 24 CFR Part 92 and must also comply with the DED-approved Homebuyer Guidelines or be returned to DED.

### **Additional recapture provisions to be established in the DED Grantee homebuyer guidelines**

The DED grantee must adopt the above provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines. These additional requirements include selecting the option that will be utilized by the DED grantee in the case where HOME funds are recaptured during the period of affordability. These options include:

- 1) The DED grantee will recapture the entire amount of the HOME investment from the homeowner, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

For example, a homebuyer receives \$10,000 of HOME down payment assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year period of affordability. If the homebuyer sells the home after three years, the DED grantee would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy. The homebuyer would receive any net proceeds in excess of \$10,000.

2) The DED grantee will reduce the HOME investment amount to be recaptured during the affordability period, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs. The amount of investment recaptured would be based on a prorata basis for the time the homeowner has owned and occupied the home.

The pro rata amount recaptured by the DED grantee will be determined by: 1) Dividing the number of years the homebuyer occupied the home by the period of affordability, and 2) Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

For example, a homebuyer receives \$10,000 of HOME downpayment assistance and purchases a home developed with HOME funds for \$10,000 below fair market value. The total direct HOME subsidy to the homebuyer is \$20,000 and requires a 10-year period of affordability. If the homebuyer sells the unit in year 5 of the 10-year period of affordability, the DED grantee would forgive 50 percent of the direct HOME subsidy and recapture 50 percent of the direct HOME subsidy, or \$10,000 of the \$20,000 HOME investment, assuming that there are sufficient net proceeds available.

Using the above mentioned formula of,

$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of Affordability}} \times \text{Total direct HOME subsidy} = \text{Recaptured Amount}$$

The DED grantee would receive a recaptured amount of \$10,000.

$$\frac{5 \text{ years (homebuyer occupied the home)}}{10\text{-year period of affordability}} \times \$20,000 \text{ HOME funds} = \$10,000 \text{ Recaptured Amount}$$



## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADDITIONAL INFORMATION

### CDBG Owner Occupied Rehabilitation (CDBG OOR) Program Category

CDBG owner-occupied rehabilitation projects will be funded within a separate CDBG Owner-Occupied Rehabilitation Cycle. This CDBG Cycle is only available for applicants that are CDBG eligible units of general local government.

For the CDBG Owner-Occupied Rehabilitation (OOR) Chapter, specific application questions will be developed within the 2016 Application Guidelines. In general, the OOR section will include a section for Demonstrates Desired Results and a section for Probability of Producing Desired Results utilizing the Selection Criteria Matrix noted below. An additional section, which is unique to the CDBG OOR Chapter related to housing activities, includes a section on the Municipal Equalization Fund (MEF). The MEF score will be calculated for each applicant and will be added to the total application score within the CDBG OOR Cycle.

The maximum grant amount for CDBG OOR activities will be \$500,000 per community. Each OOR project will require 10% match. Total project match may include in-kind services or source contributions, or other activities that the community has identified that will enhance the overall project. Matching funds may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. Matching funds may be considered only if they are spent during the project period (Date of Release of funds through the project completion date). The amount of match must be given in dollars.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. Housing Management activities may not exceed 10% of the amount of CDBG funds awarded. General Administration activities do not require any matching funds and also cannot be matched, using local resources, for purposes of meeting the 10% match requirement.

For the current Program Year, \$1,900,000 in CDBG funds will be allocated for CDBG OOR activities.

The total points available for any given application will be 1,000 points. Applicants will be required to obtain a minimum score within designated sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in the Application not being funded during the 2016 CDBG OOR Cycle.

The Matrix below describes each selection criteria as a numerical score within the CDBG OOR Program. The maximum number of points available within any application is 1,000 points. A minimum score of 350 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Matching Funds	MEF	Bonus Points	<b>TOTAL</b>
250	250	200	100	50	100	50	<b>1,000 points</b>
100 min	100 min	100 min	50 min	0	0	NA	<b>350 min</b>

For each of the following sections a project narrative will also be required and any additional information as noted within each individual application question. The final questions developed for the CDBG OOR Program will be made available within the NAHP Application Guidelines and available on the Department's website at: <http://www.neded.org/community/grants/applications>

- 1. Project Need:** Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of project need will be compared to other applicants.

Does the proposed project provide a solution to the immediate housing needs of the primary community(ies) being served? Be specific to the type of project proposed. (Include statistical data (that is cited) to support the proposed project. Also, include independent sources that must be cited and include any relevant information within the application.)

The answer should:

- Describe how the need was determined for the community and/or region;
- Describe the clearly defined, systematic, and inclusive public participation process, and the extent of public involvement, used to identify and address community needs and allocate resources;
- Describe how the proposed project accomplishments will reduce or eliminate the need in the primary project area; and
- Describe any plans to address any remaining housing needs

Points in this section include:

- 0-75—no clear description of the need for the project.
- 76-150— reasonably defined project need that is average compared to other applicants.
- 151-250— above average description of project need.

- 2. Project Impact:** Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75—inadequately defined project impact.
- 76-150—reasonably defined project impact that is average compared to other applicants.
- 151-250—above average description of project impact.

- 3. Project Readiness:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76-125—local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.

- 126-200—Significant local capacity demonstrated through past projects, past rehabilitation and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

**4. Community Support:** Up to 100 points possible. A minimum of 50 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from the community will be compared to other applicants.

Points in this section include:

- 0-49—no evidence, or very little evidence from the community that it will commit resources and support community revitalization efforts that will enhance the owner occupied rehabilitation project.
- 50-100—significant evidence from the community that it will commit resources and support community revitalization efforts that will enhance the owner occupied rehabilitation project. This includes: letters of support; financial commitments from the community and its partners; letters of intent from the community, and community partners, to commit resources to the project; and any other evidence that identifies the support of the community to improve areas in which rehabilitation activities will likely be completed.

**5. Matching Funds:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of CDBG OOR applications, matching funds is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities.

Points will be awarded to applicants based on the amount of additional match provided that exceeds the required match. Communities who provide more match will receive points within this section. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

**6. MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average

property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

- 7. Bonus Points:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:
- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>. **50 bonus points**
  - b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community-improvement/leadership-community>. **50 bonus points**

**Summary of Milestones/Timeline**

Below is a summary of the milestones that would be completed during an OOR project.

Milestone Summary	Dates
Pre-Application submitted to DED	August 5, 2016
Full Application submitted to DED	October 5, 2016
Communities selected/awarded CDBG OOR Resources	December 2016

## Comprehensive Development (CD) Program Category

### A. Comprehensive Development Category – State Objective:

The purpose of the Comprehensive Development (CD) Program Category is to provide flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes. The focus is to foster a greater capacity for local community and economic development initiatives that will carry out an enhanced and stable comprehensive revitalization strategy principally benefiting low/moderate income residents of the community.

### B. How and What Projects May be Assisted:

#### Distribution of Comprehensive Development Category Funds:

DED will award grants under the CD Program Category to eligible local governments to carry out CD-eligible activities and projects meeting a CDBG National Objective and State CDBG priorities.

The primary national objective of the CDBG Program is the “development of viable urban communities by providing decent housing and a suitable living environment, particularly for low and moderate-income persons.” Eligible activities are those identified as State Priorities in the Housing, Public Works, and Planning categories.

Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, and Planning Program Categories. The eligible activities must substantially benefit the LMI-designated service area directly and not only benefit persons on a community-wide scale or only benefit those beyond the designated LMI service area substantially. Eligible activities within the designated LMI service area may include:

- housing rehabilitation or homebuyer assistance programs;
- neighborhood centers or senior centers of a single or multipurpose nature designed to provide public recreational and social activities;
- nonprofit centers for day care, dependent care, primary health and mental health care outpatient clinics (excluding shelters defined as: hospitals, nursing homes, convalescent homes, battered spouse shelters, shelters for the homeless, halfway houses, group homes, temporary housing);
- accredited public libraries;
- single or multi-service fire/rescue buildings (fire trucks are specifically considered “public facilities” and thus eligible);
- removal of architectural barriers for accessibility;
- water distribution (only if system service connections are or will be metered) and/or sanitary sewer collection system improvements (lines on private property are eligible under LMH national objective);
- bridge and/or street improvements including curb, gutter, and sidewalk; stormsewer improvements;
- flood control (designed to influence or affect the flow in a natural water course such as a river, stream or lake);
- drainage improvements (i.e. retention ponds or catch basins);
- tornado-safe shelters in manufactured home parks (containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado);

- neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement);
- analyses of impediments and barriers to fair housing choice;
- neighborhood/comprehensive/strategic pre-development studies;
- functional or special pre-development studies for: housing, downtown revitalization, energy conservation and transportation; environmental, heritage tourism, and historic preservation studies; historic restoration, rehabilitation, 2<sup>nd</sup> (and upper) story housing, and preservation for physical structures, and infrastructure in a defined downtown business district.
- acquisition, clearance, and code enforcement activities only when in support of above mentioned activities.

### C. CDBG National Objective

All CD projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

### D. Grant Amount and Matching/Leverage

The maximum grant amount for CD activities will be \$30,000 for Phase I (Pre-Development) and \$700,000 for Phase II (Implementation) with \$350,000 being provided during the first allocation of implementation funding and \$350,000 being provided for the second allocation of funding.

For the current Program Year, \$2,345,855 in CDBG funds will be allocated for CD activities.

For Phase I, all activities, except general administration, require 25% match and 25% leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Consideration for match and leverage will be given for such sources as public/private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. The amount of match and leverage must be calculated in dollars.

General Administration for Phase I cannot exceed \$3,000 or 10% of the City's allocation, whichever is greater. General Administration and Housing Management activities require no matching funds.

For Phase II, all activities, except for general administration and housing management, **would require a 50% match and 50% leverage**. Proposed match and leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Matching funds would include cash contributions from the community, or other partners. Leveraged funds would include a variety of resources (cash and/or in kind contributions). Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

The General Administration activity cannot exceed 10% of the CDBG allocation. The Housing Management activity cannot exceed 10% of the CDBG allocation. These amounts are taken out of the CDBG CR funds allocation for each city. General Administration and Housing Management activities require no matching funds.

The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000.

Only up to 25% of each community's allocation can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program; provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community. If the CD grantee is awarded funds within the DTR Program, 0% of the CD allocation may be used for activities eligible for assistance under the DTR except for housing activities.

**Grantees with open Comprehensive Development (CD), Comprehensive Revitalization (CR), or Comprehensive Investment & Stabilization (CIS) awards cannot apply within the Public Works or Water/Wastewater Program Categories.**

**E. Threshold and Review Criteria for Submitting CD Application, Applicant Submission, and Grantee Selection:**

Eligible communities include those communities with a population of 5,000 persons or greater and who are not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities. See the CDBG National Objective Section for more information.
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.
- income surveys **will be required** for selected neighborhood(s) that show **less than 51%** low to moderate income as identified by current U.S. Census information. Any income surveys conducted must be completed using appropriate income survey methodology and submitted to the Department. If current U.S. Census information shows that the selected neighborhood(s) are **at least 51%** low to moderate income or greater, income surveys **will not be required**. However, in any case, supplemental support documentation would also be needed in order to show that the neighborhood(s) selected are clearly LMI in nature. This documentation may include, but would

not be limited to, a summary of the age of housing stock and values; the number of persons receiving Section 8 services; the number of persons in the area on reduced lunches; etc.

Applicants meeting required thresholds for eligibility and review may submit a Phase I application through September 15, 2016. Phase I applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded up to \$30,000 in CDBG funds for Phase I pre-development. Phase II funds within the CD Program are only reserved for those communities selected for Phase I resources.

**Phase I (Pre-development)**

The Matrix below describes each selection criteria as a numerical score for the CD Phase I (Pre-development) application. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Match & Leverage	MEF	Bonus Points	<b>TOTAL</b>
200	200	200	200	50	100	50	<b>1,000 points</b>
100 min	100 min	100 min	100 min	0	0	NA	<b>400 minimum</b>

- 1. Project Need:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of project need will be compared to other applicants.

The application narrative shall be scored for:

- explanations of the overall purpose of the project application and factual information that illustrates the severity of the neighborhood problems or needs up to 100 points;
- past efforts to resolve the problems/needs up to 50 points; and
- stated goals and objectives for resolving the problem or need with a description of how the community will be included in the citizen participation process in order to determine the objectives for problem resolution up to 50 points.

Points in this section include:

- 0-75 points—no clearly defined need for the project.
- 76-150—minor needs are only defined.
- 151-200—significant description of project need is clearly defined.

Community involvement and participation is a fundamental part of any community needs-assessment process and is required as part of the CDBG application process. Community surveys, town hall meetings, and/or interviews with community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Public involvement should also be used to let residents know what needs were identified, how they were identified and to give residents an opportunity to react to the needs assessment information. Existing capital improvement plans,



comprehensive plans, and economic development, or housing plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project in a CDBG application does not have to be the highest community priority. Often top-ranked needs can be addressed with other more appropriate local, State or Federal financial resources. Sometimes one of the community's lower-ranked needs may address an issue that is a high priority for CDBG funds such as a project that will affect low- and moderate-income persons. Other times government and/or elected officials may be more aware of a need for that CDBG may be an appropriate resource than the general public. In this case efforts should also be made to educate and inform the community about the need in order to build consensus and support to address the problem.

- 2. Project Impact:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded.

Describe the importance of project activities to the community and provide clarity on how the project will benefit those LMI persons within the neighborhood(s) selected for the project by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points— inadequately defined project impact.
- 76-150— reasonably defined project impact that is average compared to other applicants.
- 151-200— above average description of project impact.

- 3. Project Readiness:** Up to 200 points is possible. A minimum of 100 points the level of capacity and commitment by the community will be scored as compared to other applicants.

A description of prior and current efforts related to: the overall planning strategy; the work plan for solutions to the problems/needs and impact as defined above; overall project readiness; and the community's financial and operational capacity. Project readiness will be scored as compared to other applicants.

Points in this section will include:

- 0-75— lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I predevelopment is complete.
- 76-150— local capacity is demonstrated through past projects, past neighborhood and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I CD pre-development plan.
- 151-200— Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I predevelopment plan, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to neighborhood revitalization.

- 4. Community Support:** Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded.

The level of commitment and support from both public and private organizations for the pre-development phase, and the potential support and community involvement for the implementation phase. These will be compared to other applicants.

Points in this section include:

- 0-75 points—no evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
- 76-150 points—some evidence from the community that it will commit resources and support neighborhood revitalization efforts. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.
- 151-200 points—significant evidence from the community that it will commit resources and support neighborhood revitalization efforts. Significant support would include showing a significant number of partners and resources compared to other applicants. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.

5. **Match & Leverage:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of CD applications, leverage is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match and leverage.

Points will be awarded to applicants based on the amount of leverage provided that exceeds the required match and required leverage. Communities who provide more leverage will receive points within this section. The table below further describes this scoring criteria.

<b>Match &amp; Leverage</b>	
50 points	10% or greater of total project costs above required match and leverage
25 points	5-9.99% of total project costs above required match and leverage
10 points	3-4.99% of total project costs above required match and leverage
0 points	Less than 3% of total project cost above required match and leverage

6. **MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation

into the scoring criteria for this program.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

**7. Bonus Points:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>:

**50 bonus points**

b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at:

<http://www.neded.org/community/community-info/community-improvement/leadership-community>. **50 bonus points**

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department in order to describe how the community will implement the revitalization strategy it defined and prioritized within Phase I.

Applicants meeting required thresholds for eligibility and review may submit a Phase II application by the required due date. Phase II applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded. Phase II funds within the CD Program are only reserved for those communities previously selected for Phase I resources.

**Phase II (Implementation)**

The Matrix below describes each selection criteria as a numerical score within the CD Program for Phase II (Implementation). The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)		(7)	
Project Design	Project Readiness	Community Support	Match & Leverage	MEF	Bonus Points	<b>SUBTOTAL</b>	Onsite Review	<b>TOTAL</b>
300	200	200	50	100	50	<b>900</b>	100	<b>1,000 points</b>
150 min	100 min	100 min	0	0	0	<b>350</b>	50	<b>400 minimum</b>

- 1. Project Design:** Up to 300 points is possible. A minimum of 150 points must be earned in this section or the application will not meet threshold and will not be funded. The project design should include the overall scope of the project, and the revitalization efforts that will be completed during the implementation of the project. These will be compared to other applicants.

Points in this section include:

- 0-100 points—no clearly defined project design for the project.
- 101-150—limited project design is only defined.
- 151-200—project design is adequate and average compared to other applicants.
- 201-300—significant project design is clearly defined.

- 2. Project Readiness:** Up to 200 points is possible. A minimum of 100 points the level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I predevelopment is complete.
- 76-150—local capacity is demonstrated through past projects, past neighborhood and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I CD pre-development plan.
- 151-200—Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I predevelopment plan, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to neighborhood revitalization.

- 3. Community Support:** Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from both public and private organizations for the implementation phase compared to other applicants.

Points in this section include:

- 0-75 points—no evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
  
- 76-150 points—some evidence from the community that it will commit resources and support neighborhood revitalization efforts. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.
  
- 151-200 points—significant evidence from the community that it will commit resources and support neighborhood revitalization efforts. Significant support would include showing a significant number of partners and resources compared to other applicants. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.

- 4. Match & Leverage:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of CD applications, leverage is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match and leverage.

Points will be awarded to applicants based on the amount of leverage provided that exceeds the required match and required leverage. Communities who provide more leverage will receive points within this section. The table below further describes scoring criteria.

<b>Match &amp; Leverage</b>	
50 points	10% or greater of total project costs above required match and leverage
25 points	5-9.99% of total project costs above required match and leverage
10 points	3-4.99% of total project costs above required match and leverage
0 points	Less than 3% of total project cost above required match and leverage

For purposes of the CD Program, “total project costs” will include the specific activities being completed with CDBG and Other funds for project-specific activities and also additional projects and activities being completed within the project area that will serve to ultimately enhance the project.

- 5. MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

**6. Bonus Points:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>: **50 bonus points**
- b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community-improvement/leadership-community>. **50 bonus points**

Upon application submittal to the Department, all Phase II applications will be reviewed for the above mentioned criteria. Those applicants who have identified a reasonable proposal and project design will be invited for a site review. Site reviews will be conducted by DED staff.

**7. On-Site Review:** Up to 100 points possible. No minimum number of points is required for this section. The review of project design, need, and impact will be evaluated based on an onsite review conducted by the CD Review Team. This review will compare the proposed project with other application proposals.

***In addition, the following information will also be needed for the application, depending on the type of project activities that will be completed for the project.***

- For proposed homebuyer activities attach program guidelines addressing items listed in the Appendix.
- For proposed single-family owner occupied and rental housing rehabilitation activities, attach program guidelines addressing items listed in the Appendix.

- Identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include: securing administrative and engineering services, completing environmental review, completing land acquisition, completing plans/specifications, obtaining permits and approvals, solicit construction bids, award contracts, construction start and completion.
- Additional CDBG National Objective information should be provided. Provide a narrative description with documentation of how each CDBG funded activity complies with the national objective of benefit to low- and moderate-income persons (see also Application Guidelines for more information).

## Public Works (PW) Program Category

### A. Public Works Program Category – State Objective:

The purpose of the Public Works Category is to provide for investments in effective and affordable infrastructure and facilities to quality communities that are investing in long-term development. This provides a sound basis for fostering local economic development. This recognizes the importance of the availability and condition of public works/facilities. Funded projects shall develop the state's communities and counties by providing residents with basic public works/facilities with the opportunity to maximize energy efficiency.

### B. How and What Projects May be Assisted Distribution of Public Works Category Funds:

DED will award grants under the Public Works Category to eligible local governments to carry out public works/facilities and projects meeting a CDBG National Objective and State CDBG priorities.

Public Works funds single or multiple activities that contribute to the revitalization of neighborhoods or specific target areas that are contiguous and substantial which have concentrations of LMI families. 2016 Public Works funds will be distributed between two distinct and separate activity categories that include: infrastructure and facilities. Each category will be scored separately and specific bonus points will be designated for the infrastructure applications and a separate set for facilities applications. Bonus Points will be outlined within the PW Application Guidelines for each category based on the priorities identified by the State.

Activities funded under the "facilities" priority include: nonprofit centers for day care, community centers or senior centers of a single or multipurpose nature designed to provide public recreational and social activities, primary health and mental health care outpatient clinics (excluding shelters defined as: hospitals, nursing homes, convalescent homes, battered spouse shelters, halfway houses, group homes, temporary housing); remodel shelter facilities for the homeless (excludes costs for operation); accredited public libraries; single or multi-service fire/rescue buildings (fire trucks are specifically considered "public facilities" and thus eligible); removal of architectural barriers from City/Village Halls or County Courthouses for accessibility (does not include sidewalk repair); parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement).

Activities funded under the "infrastructure" priority include: water line distribution (excludes water transmission, wells, and storage system) improvements/service lines (only if system service connections are or will be metered) and/or sanitary sewer collection system improvements (lines on private property are eligible under LMH national objective); bridge and/or street improvements including curb, gutter, and sidewalk; storm sewer improvements; flood control (designed to influence or affect the flow in a natural water course such as a river, stream or lake); drainage improvements (i.e. retention ponds or catch basins); and tornado-safe shelters in manufactured home parks (containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado). When in support of any of the above activities, acquisition, clearance, and code enforcement activities may be undertaken.

Funds will only be available for construction-ready projects. Projects will not be funded under Public Works if they are still in the planning stage.



### **C. CDBG National Objective**

All PW projects funded, and CDBG-funded project activities, must meet a National Objectives of the CDBG Program. This Objective includes:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele);

A project or project activity that fails to meet a specific CDBG National Objective is ineligible for CDBG resources.

### **D. Grant Amount and Matching Funds**

The maximum grant amount for Public Works activities will be \$250,000 per community. The cost per resident beneficiary cannot exceed \$3,000, except for daycare facility projects where the cost per resident beneficiary cannot exceed \$5,000.

PW activities require a 25% match. Matching funds may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. No more than 12.5% of the total project match may be in-kind services or source contributions. Matching funds may be considered only if they are spent during the project period (Date of Release of funds through the project completion date). The amount of match must be given in dollars.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded, but not to exceed \$25,000. General Administration activities do not require any matching funds and also cannot be matched, using local resources, for purposes of meeting the 25% match requirement.

For the current Program Year, \$1,000,000 in CDBG funds will be allocated for PW activities. It is anticipated that one half of the available CDBG funds within the PW Program Category will be used for facilities projects and the other half will be used for infrastructure projects.

### **E. Threshold and Review Criteria for Submitting PW Application, Applicant Submission, and Grantee Selection:**

Eligible local governments may individually or jointly apply and receive only one grant per year in the Public Works Category. Projects are to be completed within 24 months following award.

The applicant must receive Approval of the National Objective from DED for each project in order for applicants to be eligible to submit a full PW application. Applicants must complete the "2016 Public Works National Objective Pre-Approval Application" by Monday, May 9, 2016.

The submission of the "2016 Public Works National Objective Pre-Approval Application" will be accepted beginning March 4, 2016 through May 9, 2016 based on U.S. Postal Service post mark date or date of delivery by other means. Any pre-approval applications received after May 9, 2016 will not be accepted. Applicants will be notified regarding the status of their "2016 Public Works National Objective Pre-Approval Application" by June 10, 2016 or earlier.

Once the applicant receives approval of the National Objective the applicant may submit the full 2016 PW application. The full 2016 PW application are due on Monday, August 8, 2016.

Applications will be accepted during this period based on U.S. Postal Service postmark date or date of delivery by other means.

Applications will be accepted by this date based on U.S. Postal Service postmark Date or date of delivery by other means.

If all CDBG funding in the PW Program Category is not awarded during the first round of applications, or CDBG funds are available in other Community Development categories, the Department may determine, in its sole discretion, to accept a second round of PW applications. Details regarding second round thresholds and acceptance dates would be publically announced by DED.

The following threshold requirements must be met by the local government applicant in order to be eligible for PW Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

Additional threshold requirements that are specific to the PW Program category include:

- applicant meets the minimum score criteria as noted above.
- applicant does not have an open CR, CIS, or CD grant
- applicant must have land acquired or at a minimum, an option to purchase (with completion date of the sale before any CDBG funds are released), prior to submitting an application; and
- activities are not included or not located within the designated area for an applicant's open Downtown Revitalization grant.
- Applicant's proposed project and activities within the application are not a Water/Waste Water priority, as determined by DED, and therefore eligible, and more appropriately suited, within the W/WW Program.

Public Works applicants meeting threshold requirements are reviewed by DED on a competitive basis according to the Selection Criteria Matrix. Applicants ranking highest in competitive order shall be selected for funding subject to the amount of funds available for each priority.

**Public Works Selection Criteria Matrix**

Below is the Scoring Criteria Matrix for the Public Works Program. The Matrix describes each selection criteria as a numerical score within the PW Program. The maximum number of points available within any application is 1,000 points. A minimum score of 300 points is required and some criteria require a minimum score as noted below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Project Need	Project Impact	Project Readiness	Citizen Participation	Matching Funds	LMI Benefit	MEF	Bonus Points	<b>TOTAL</b>
200	150	250	150	50	50	100	50	<b>1,000 points</b>
75 min	75 min	100 min	50 min	0	0	0	NA	<b>300 minimum</b>

- 1. **Project Need:** Up to 200 points is possible. A minimum of 75 points must be earned or the application will not meet threshold and will not be funded. Applicant must describe why the project should be funded based on the community’s need for the project. Identify factual information that illustrates the severity of the public works problems or needs; past efforts to resolve the problem and meet public work’s needs; and stated goals and objectives for resolving the problem or need with a description of how the community will be included in the citizen participation process in order to determine the objectives for problem resolution.

Some examples of major needs include:

- A public facility that is undersized or lacking space;
- The facility is not physically accessible/removal of architectural barriers;
- Water infiltration and inflow or decrepit distribution lines;
- There is no similar facility or service within a reasonable distance;
- Construction or renovation of facilities that serve special-needs populations, senior services, or day care centers;
- Significant structural problems within a public facility or utility;
- There is a health and safety threat to users.

Points in this section include:

- 0—75 points: No identifiable problems
- 76—150 points: Minor problems identified
- 151—200 points: Major problems identified

A strong narrative will answer the below questions:

- i. Describe the geographical target area of the project (include entire area served by activity).
- ii. Need for the project. Address each of the following:
  - a. Existing conditions,
  - b. Severity, extent, frequency, duration of problem(s),
  - c. Lack of facility and distance to comparable facility,
  - d. Age and structural deterioration,
  - e. Lack of capacity and functions that cannot be performed,
  - f. Health and safety concerns,
  - g. Accessibility to facility or restrooms.

iii. Attach only relevant pages of any mandates, studies or reports, petitions, community assessments or surveys, photos, etc., that identify the proposed project as a need.

- 2. Project Impact:** Up to 150 points is possible. A minimum of 75 points must be earned or the application will not meet threshold and will not be funded. The applicant should explain what the expected outcome of the project will be and why the community will be uniquely impacted by project completion. Examples of impacts may include providing important services in the community that were not available previously, increasing the ability to maintain important services in the community, improving the quality of life for beneficiaries, or positioning the community to attract new business

Points in this section include:

- 0—75 points: Inadequately defined project impact.
- 76—100 points: Reasonably defined project impact that is average compared to other applicants.
- 101—150 points: Above average description of project impact.

A strong narrative will answer the below questions:

- Describe in measurable units the specific improvement activities proposed. Include: linear/square feet, size, design life expectancy, etc. Additionally, include a Facility Floor Plan (for building projects only).
- Describe the frequency of use and the new or increased level of service available, accessible, or affordable.
- Describe the degree to which the proposed accomplishments will reduce or eliminate the need in the target area, and any plans to address what need(s) remains.
- Describe the level of community/business support for the project and potential other investment in area.

- 3. Project Readiness:** Up to 250 points is possible. A minimum of 100 points must be earned or the application will not meet threshold and will not be funded. The applicant must demonstrate that they are capable of carrying out the project.

This includes a plan for development, a description of the financial resources available for the project, and proof that appropriate and necessary reviews of the project area have been completed. The higher the project readiness score, the greater likelihood that a project may be funded.

Points in this section include:

- 0 – 100 points: Lack of local staff or ability to oversee the efforts from planning to the implementation of the physical project, no availability of the site(s) investigated, preliminary work is not substantially completed, and project is not construction ready.
- 101—175 points: Local capacity is demonstrated through past projects, past community improvement efforts, citizen participation, there is strong evidence of a commitment to proceed with the project, the feasibility and cost estimates are reliable, the project is construction ready and financial resources have been investigated.
- 176—250 points: Significant local capacity demonstrated through past improvement efforts, financial resources are secured and pending CDBG award approval, match/non-

CDBG funding is committed and documented, and environmental review has been completed.

A strong narrative will answer the below questions:

- i. Describe the organization that will own and operate the facility. (If other than local government, also specify the organization’s legal status and date of incorporation).
- ii. List key individuals who will be responsible for the day-to-day operations and provide specific information regarding their experience and ability.
- iii. Identify annual costs, specific revenue events/sources and amounts to demonstrate short- and long-term operation and maintenance.
- iv. Address each of the following in order:
  - a. Need identification,
  - b. Alternatives considered and why rejected,
  - c. Preliminary design,
  - d. Determination and maintenance of historic integrity,
  - e. Compliance with energy conservation code,
  - f. Consultation on environmental impacts,
  - g. How cost estimates were determined, and
  - h. Status of necessary agreements or permits to implement or construct project, etc.
- v. List each source and amount of other funds to complete the project. For each source, provide
  - a. Name and telephone number of a contact person, and
  - b. Status of the commitment.
  - c. Attach commitment letters for all listed sources.
- vi. List other funds investigated and why not available for this project.
- vii. Benchmarks. Provide a proposed date for each measurable benchmark in order to outline a schedule for the project. If benchmarks are not met, DED may invoke the right to terminate the CDBG contract. The following list is not exhaustive; please add benchmarks applicable to the project on a separate sheet of paper if needed.

Benchmark	Completion Date
Secure CDBG Award	
Secure Administrative Services	
Complete Environmental Review	
Receive RROF Approval	
Secure Engineering Services	
Complete Plans/Specifications	
Obtain Permits and Approvals	
Solicit Construction Bids	
Award Contracts	
Construction Start	
Project Completion	

- 4. Citizen Participation:** Up to 150 points is possible. A minimum of 50 points must be earned or the application will not meet threshold and will not be funded. Applicant's description of public participation and the process used to identify community needs and allocate resources to address those needs will be compared to other applicants. Points earned for Citizen Participation are tabulated with preset targets that indicate active participation towards economic development within the community. This includes the completion of a comprehensive needs assessment, the distribution of surveys, and clearly documented community involvement in the creation of development priorities for the community at large.

The following criteria will be taken into consideration when determining the community's score for the Citizen Participation section.

- Completed a comprehensive needs assessment;
- The needs assessment process includes documented citizen participation;
- Developed, distributed, and analyzed a community needs surveys;
- Held public meetings to discuss the outcomes on the community needs analysis;
- Documentation showing the community needs assessment took place within the past 3 years;
- Developed a priority list using the community needs assessment process;
- Developed a strategy to address items in order of the communities priority list;
- A record of conducting other community and economic development efforts with significant citizen involvement within the last three years that address items ranked on the communities priority list;
- The community has adopted or updated a comprehensive plan, housing study, and/or a capital improvement plan within the last five years;
- The community can show evidence of economic initiatives such as: LB840, completing business retention and expansion survey, or other viable fundraising efforts.

Points in this section include:

- 0—50 points: has not completed a majority of the above criteria.
- 51—100 points: has completed a majority of the above criteria.
- 101—150 points: has completed and properly documented most or all of the above criteria.

A strong narrative will address the following items:

- i. Provide information for the past 10 years regarding public participation process on each of the following:
  - a. extent of "public" involvement;
  - b. identify community needs;
  - c. address community needs identified in item 2;
  - d. allocate resources. Attach additional information as needed. Be sure to include dates.
- ii. Did the public participation process include:
  - a. Developing and distributing community attitude surveys?
  - b. Public meetings to develop community priorities?
  - c. Involving local groups/organizations to develop community priorities?
  - d. Prioritization of survey results?
  - e. Developing action plans for short & long term projects?

- iii. List community and economic development efforts with citizen participation that have been conducted within the past 10 years as a result of the above efforts. Please include dates. Attach additional pages if needed.
- iv. List all projects/programs implemented/completed within the past 10 years. Please include dates. Attach additional pages if needed.
- v. Please list the update or adoption dates of:
  - a. Comprehensive Plan:
  - b. Housing Study:
  - c. Capital Improvement Plan:
  - d. Does your community currently participate in the Nebraska Leadership Program?
  - e. Has your community implemented LB840?
  - f. Has your community completed a Business Retention and Expansion Survey for the community?

**5. Matching Funds:** Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. For purposes of Public Works applications, matching funds are defined as local funds provided by the community committed to the project's non-administrative activities that exceed the required match.

Points will be awarded to applicants based on the amount of match provided that exceeds the required match. Communities who provide more match will receive points within this section. The table below further describes these criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

- 6. **LMI Benefit:** Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population between 51% - 54.99% will receive no points in this section.
- 7. **MUNICIPAL EQUALIZATION FUND:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The MEF was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts.

Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city’s population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

- a) Municipalities with a population of 5,000 inhabitants or more;
- b) Municipalities with a population between 800 and 5,000 inhabitants; and
- c) Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

**8. Bonus Points:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include: Chapter 4 Public Works 20

- **Economic Development Certified Community – 50 bonus points**  
Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>.
- **DED Leadership Community – 50 bonus points**  
Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community-improvement/leadership-community>.

**F. Summary of Milestones/Timeline**

Below is a summary of the milestones that would be completed during a PW project.

Milestone	Deadlines
CDBG National Objective Submission for a Specific Project Due	May 9, 2016
National Objective Approval Notification	June 10, 2016
Public Works Applications Due	August 8, 2016
Public Works Projects Awarded	Fall 2016



## Water/Wastewater (W/WW) Program Category

### A. Water/Wastewater Program Category – State Objective:

The purpose of the Water/Wastewater Category is to provide for investments in effective and affordable infrastructure and facilities to quality communities that are investing in long-term development. This provides a sound basis for fostering local economic development. This recognizes the importance of the availability and condition of water/wastewater facilities. Funded projects shall develop the state's communities and counties by providing residents with basic water/wastewater facilities with the opportunity to maximize energy efficiency.

### B. How and What Projects May be Assisted

DED will award grants under the Water/Wastewater Program Category to eligible local governments to carry out water/wastewater projects meeting a CDBG National Objective and State CDBG priority.

Water/Wastewater (W/WW) activities that are eligible for funding are those designed to address and resolve a specific problem/need that will contribute to the revitalization of a community or specific target areas that are contiguous and substantial, where there is a concentration of lower income families. Activities given priority are publicly-owned water system improvements including, source treatment, storage and/or distribution improvements; publicly-owned sanitary sewer collection and/or treatment system improvements. When in support of any of the above activities, clearance activities may be undertaken.

All applicants applying within the W/WW Program Category must follow the Water/Wastewater Advisory Council (WWAC) Pre-Application process. Instructions regarding this process, and the full application process for WWAC approval, are included within the Water/Wastewater Application Guidelines.

Once WWAC has determined that CDBG resources are an appropriate funding source for a community's project, DED will invite each community selected to apply for CDBG funds. Only those communities invited to apply for CDBG resources are eligible to apply.

Funds will be available in two of the three W/WW phases. Information on the 3 phases is noted below.

**Preliminary Engineering Report (PER)/Pre-development Phase**—CDBG funds will not be available within the Preliminary Engineering/Pre-development phase. PERs will also not be funded with CDBG funds within the Planning Category if a PER is related to the completion of a WWAC application. Other non-CDBG resources must be utilized for this phase. Any reports and studies must be reviewed by the Water Wastewater Advisory Committee (WWAC) or other appropriate regulatory agency.

**Final Design Phase**—Communities may be invited to submit an application for final engineering design to include the following items: final engineering design and bid specifications; detailed cost estimates, including all items necessary to complete the project; identification of all permits and approvals necessary to construct the project with a schedule showing a realistic review and approval process for each; maps showing the specific location of the project; environmental review of the project that complies with implementing regulations of HUD; costs for activities leading up to acquisition, such as appraisals; and grant administration. Final design recipients must have regulatory agency approval of plans and specifications before the grant is closed out and before CDBG construction application is

submitted. PERs and Pre-development information (funded through other non-CDBG resources) should be provided during this Phase.

**Construction Phase**—Communities may be invited to submit an application for construction activities such as preparation of environmental review, acquisition of real property (only if an option to purchase is secured and effective), bid process, construction of improvements, construction management, general administration and legal fees. Projects for water system improvements will be considered only if service connections are metered or if the project will include installation of meters.

When appropriate, a single grant application for both final design and construction may be obtained; however, grantees must have all land acquired or an option to purchase in place or condemnation proceedings begun, regulatory agency approval of plans and specifications and all bids opened within 12 months of award or CDBG construction funds will be terminated.

Overall, any applicant funded within the W/WW Program Category, must follow the WWAC Pre-application process. Instructions regarding the pre-application to WWAC will be included within the W/WW Application Guidelines. Once WWAC has determined that CDBG funds are an appropriate funding source, then DED may invite the community to apply for CDBG funding and obtain a Notice of Approval.

**Only communities invited to apply for CDBG resources through WWAC are eligible.**

### **C. CDBG National Objective**

All W/WW projects funded, and CDBG-funded project activities, must meet a National Objectives of the CDBG Program. This includes:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele);

A project or project activity that fails to meet a specified CDBG National Objective is ineligible for CDBG resources.

### **D. Grant Amount and Matching**

The maximum grant amount for W/WW activities will be \$250,000 per community or county. The cost per resident beneficiary cannot exceed \$2,000. W/WW activities require a 25% match. No more than 12.5% of the total project match may be in-kind services or source contributions.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded, but not to exceed \$25,000. General Administration activities do not require any matching funds.

For the current Program Year, \$1,000,000 in CDBG funds will be allocated for W/WW activities.

### **E. Threshold and Review Criteria for Submitting W/WW Application, Applicant Submission, and Grantee Selection:**

Eligible local governments may individually or jointly apply and receive only one grant per year in the W/WW Category. Projects are to be completed within 24 months following award.

W/WW applications must be submitted per the Water/Wastewater Program Application Guidelines. W/WW applications will be accepted on an open cycle, but must be made through the WWAC process.

The following threshold requirements must be met by the local government applicant in order to be eligible for W/WW Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

Water/Wastewater applicants meeting threshold requirements are reviewed by DED on a competitive basis according to the WWAC process subject to the amount of funds available for each priority.

Applications are prepared at the applicants' expense and costs are not reimbursable.

Water Wastewater applications (only for the Final Design Phase and Construction Phase) will be accepted in an open cycle beginning May 1, 2016 subsequent to submission of a non- CDBG funded Preliminary Engineering Report and recommendation by WWAC until funds are exhausted.

Applications are reviewed by DED according to the selection criteria established in Section 5.01 of the W/WW Application Guidelines. Other State or Federal agencies will be requested to review and comment on applications, as appropriate. Water Wastewater awards will be made throughout the year. All grants must utilize a CDBG Certified Administrator. Projects are to be completed by the grantees within 24 months following award.

## Planning (PP) Program Category

### A. Planning Program Category – State Objective

The purpose of the Planning Category is to provide communities the opportunity to solve problems and meet citizen needs through a community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or carries out processes that lead to successful projects.

### B. How and What Projects May be Assisted & Distribution of Planning Category Funds

DED will award grants under the Planning Category to eligible local governments to carry out local and regional planning activities (strategic or special projects) meeting CDBG National Objectives and State priorities. These plans should lead to project financing through other categories in the CDBG Program, funding solutions through other federal/state/local/nonprofit entities, or a combination of various funding resources.

**Eligible Applicants** include every Nebraska incorporated municipality (that is not a CDBG Entitlement Community) or a Nebraska county. See the “Threshold Requirements” for specific thresholds that are also considered in determining eligibility.

**Eligible Activities** generally include: studies, analysis, data gathering, identification of implementation actions, and preparation of plans. These planning projects include:

- Community strategic planning; such as: environmental scan, needs assessment, citizen participation, downtown revitalization, and fiscal management.
- Analysis of impediments (AI) and barriers to fair housing choice.
- Neighborhood/comprehensive/strategic development plans.
- Functional or special studies for: housing, infrastructure, community economic development, land use/regulatory measures, business park site/location/use feasibility study, main street improvement district, downtown revitalization, energy conservation and transportation.
- Environmental, heritage tourism, and historic preservation studies.

**Ineligible Activities** include: engineering, architectural, and design work related to a specific activity; implementation of the plan; operating costs for an organization; the preparation of a CDBG application; and Pre-engineering studies for publicly owned water/wastewater projects prepared for communities that are involved in the WWAC process. PERs prepared for WWAC should utilize other non-CDBG resources.

Review and scoring of project applications will be prioritized and preference given to those projects that utilize and incorporate a comprehensive strategic approach that utilizes community needs assessments, participation, and planning efforts. This comprehensive approach should include: significant needs identification; an adopted or updated Comprehensive Plan; a housing study; and a capital improvement plan.

Projects that meet these requirements will be considered “Top Tier” projects.

Additional preference will be given to those projects that will lead to a significant impact upon the community and is likely to have a sustained impact. These projects will address the long-term comprehensive vision for the community and not just focus on a single problem that might be addressed for the short term.

Those project applications that are not classified as a “Top Tier” project will also be reviewed within the application cycles, but will not receive priority and preference.

### **C. CDBG National Objective**

All Planning projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis, housing, or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

### **D. Grant Amount and Matching/Leverage**

The maximum grant amount for Planning Program activities will be \$30,000 per community/unincorporated county. The maximum grant amount for Planning Program activities will be \$50,000 for multi-community, county-wide, or regional planning projects. Any applications seeking joint/multi-community may be subject to additional requirements. Applicants for such projects should contact the program representative for technical assistance. PP applications that are funded will receive Community Development Block Grant (CDBG) funds.

Planning activities require a 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs. General Administration activities may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

No more than 60% of CDBG funds allocated in this program category will be awarded during the first Application Cycle, with preference given to “Top Tier” projects as defined above.

For purposes of Planning applications, leverage is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match. Within the Application Scoring designated points may be assigned depending on the

amount of leverage within each application.

For the current Program Year, \$250,000 in CDBG funds will be allocated for Planning Program activities.

**E. Threshold and Review Criteria for Submitting Planning Application, Applicant Submission, and Grantee Selection**

Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning Category. The local government applicant completing a multi-jurisdictional application must also be a direct participant in the study/project.

The local government applicant cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example.

Projects are to be completed within twenty-four (24) months following award.

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

Additional threshold requirements that are specific to the Planning Program category include:

- applicant for a multi-jurisdictional application is a direct participant in the study/project, and cannot serve only as a pass through for CDBG funds or only as the general administrator;
- Multi-jurisdictional applicants are involved with the same project which addresses a common need. The regional study has a product, each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example;

- applicant meets the minimum selection criteria score as noted above.

Planning applications must be submitted per the Planning Program Application Guidelines. Applications will be accepted during two cycles. The first cycle is March 27, 2015 through April 10, 2015. The second cycle is an open cycle and applications will be accepted until May 1, 2016, or until CDBG Planning Category funds are depleted, whichever comes first. No more than 60% of the 2015 allocation will be awarded within the first application cycle.

Applications will be accepted during these periods based on U.S. Postal Service postmark date, or date of delivery by other means. Applications not funded during an application cycle may be carried over to the next 2015 Program Year cycle at the request of the applicant, or may be resubmitted during the next available application cycle.

Applicants meeting required thresholds for eligibility and review may submit a Planning application. Applications will be reviewed using the Selection Criteria Matrix below. The highest scoring applicants, who also meet all required thresholds, may be awarded.

Applications recommended for approval through these processes will be presented to DED's Director for a grant award (also known as a Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon application approval.

**Planning Program Selection Criteria Matrix**

The Matrix below describes each selection criteria as a numerical score within the Planning Program. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need 250	Project Impact 250	Project Readiness (Local Effort) 250	Matching Funds 50	LMI Benefit 50	MEF 100	Bonus Points 50	<b>TOTAL</b> <b>1,000points</b>
150 min	125 min	125 min	0	0	0	NA	<b>400minimum</b>

- 1. Project Need:** Up to 250 points is possible. A minimum of 150 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the need for the project. The significance of the project need will be scored as compared to other applicants. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal planning efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0-75 points—no clearly defined problem or no clear description of the need for the project.
- 80-150—minor problems or minor need are only defined.
- 155-250—major problems or description of project need is clearly defined and

preference is given to “Top Tier” projects as defined above.

Preference will be given to “Top Tier” projects. The application narrative shall be scored for: (a) clear and concise explanations of the overall purpose on the project application and factual information that illustrates the severity of the community’s problems; (b) past efforts (planning or otherwise) to resolve the problem and meet community needs; and (c) stated goals and objectives for resolving the problem statement; and (d) the citizen participation process to determine the objectives for problem resolution.

*A strong narrative will address or include the following:*

- Documentation of the severity of the community problem as presented through inventories, other studies, previous planning efforts, community participation through a needs identification (a completed strategic planning process) or other analysis. This should include an explanation of the overall purpose on the project application and factual information that illustrates the severity of the community's problems
- Past efforts to resolve the problem and meet community needs. The degree to and consequences that no-action has on the community and its effect on low and moderate-income persons and special needs persons.
- How long the need has existed, what caused the need and the extent these circumstances are within the control or beyond the control of the applicant.
- How the community, especially low and moderate-income persons and special needs persons, were included in the citizen participation process for defining problem statement/goals/objectives.
- Demonstrate the capacity and commitment to successfully implement changes or projects as a result of the planning process.

Community involvement and participation is a fundamental part of any community needs-assessment process and is required as part of the CDBG application process (see Section 5.02 and *Exhibits A, B, & C*). Community surveys, town hall meetings, and/or interviews with community organizations, businesspersons, government officials and other community representatives are encouraged to determine perceived community needs. Public involvement should also be used to let residents know what needs were identified, how they were identified and to give residents an opportunity to react to the needs assessment information. Existing capital improvement plans, comprehensive plans, and economic development, or housing plans should be reviewed to determine if they reflect current conditions and goals or if there is a need to develop new goals and action plans. Special short-term committees can be asked to validate and/or update existing information.

The proposed project in a CDBG application does not have to be the highest community priority. Often top-ranked needs can be addressed with other more appropriate local, State or Federal financial resources. Sometimes one of the community's lower-ranked needs may address an issue that is a high priority for CDBG funds such as a project that will affect low- and moderate-income persons. Other times government and/or elected officials may be more aware of a need for that CDBG may be an appropriate resource than the general public. In this case efforts should also be made to educate and inform the community about the need in order to build consensus and support to address the problem.



**2. Project Impact:** Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined (or below average) project impact.
- 80-125—reasonably defined project impact that is average compared to other applicants.
- 126-250—above average description of project impact and preference is given to “Top Tier” projects as defined above.

The application narrative shall be scored for: (a) clearly defined goals and objectives explanations of the overall purpose on the project application and factual information that illustrates the severity of the community's problems; (b) description of the alternatives considered to address the need(s) and the rationale for selecting the proposed solution; (c) description of the proposed project outcome in measurable units, the degree to which these accomplishments within project implementation (after plans have been completed) will reduce or eliminate the need(s), and any plans to eliminate what needs remain; and (d) Indicate if there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

*A strong narrative will address or include the following:*

- How the project will not duplicate or overlap other projects in the community or area.
- How the project ranks amongst the community priorities; and explain its ranking according to funding sources available.
- The extent the proposed CDBG project will support or compliment related activities or investments committed to or planned for the project study area.
- Is the project a long-term solution, feasible, appropriate in terms of community needs, and does it completely solve the problem statement.
- Discussion of other options and/or alternatives investigated and seriously considered, or have cooperative approaches with other communities been considered.

**3. Project Readiness:** Up to 250 points possible. A minimum of 125 points in this section in order to meet threshold. A description of prior and current efforts related to: the overall planning strategy; the work plan for solutions to the problems/needs and impact as defined above; overall project readiness; and the community’s financial and operational capacity. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined (or below average) project readiness.
- 80-150—reasonably defined project readiness that is average compared to other applicants.
- 155-250—above average description of project readiness and preference is given to “Top Tier” projects as defined above.

The application narrative shall be scored for: (a) detailed description of the planning activities and the methods for achieving goals and objectives as outlined in Project Impact; (b) work plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity; (c) Description of citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness will be included in the process for the project; (d) how the completed planning activities will benefit the community, especially low and moderate-income and special needs persons;

*A strong narrative will address or include the following:*

- How the project will not duplicate or overlap other projects in the community or area.
- The appropriateness and clarity of the strategy in relationship to its impact on solving the problem statement.
- The completeness of the project outline/timeline strategy in achieving the project outcome in two years or less.
- The usefulness of the completed project in meeting the problem statement and community needs, and most important in how the project supports implementing other community projects (existing and proposed).
- A budget and narrative that illustrates projected expenses, and links these expenses to the sources of funding, including the relationship of the project to other funding sources and an explanation of how expenses were determined.
- Cost reasonableness.

**4. Matching Funds:** Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. For purposes of Planning applications, leverage is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match.

Points will be awarded to applicants based on the amount of leverage provided that exceeds the required match. Communities who provide more leverage will receive points within this section. The table below further describes these criteria.

<b>Matching Funds</b>	
50points	10%orgreateroftotalproject costs above required match
25points	5-9.99%oftotalprojectcosts above required match
10points	3-4.99%oftotal project costs above requiredmatch
0points	Less than 3%oftotalproject cost above requiredmatch

**5. LMI Benefit:** Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population between 51% - 54.99% will receive no points in this section. No points will be awarded for projects applying under the SBA category.

**6. MEF:** Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

**7. Bonus Points:** Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that can demonstrate that planning projects will address sustainability concerns by (a) promoting energy efficiency throughout the community and project area; (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and (c) promote environmental stewardship.

**F. Summary of Milestones/Timeline**

Below is a summary of the milestones that would be completed during a Planning project.

Milestone Summary	Dates
Planning applications submitted to DED 1 <sup>st</sup> Cycle	March 15 – April 1, 2015
Anticipated Award Date of 1 <sup>st</sup> Cycle applicants	July 2016
Planning applications submitted to DED 2 <sup>nd</sup> Cycle	Open Cycle
Anticipated Award Date of 2 <sup>nd</sup> Cycle applicants	Ongoing

## Downtown Revitalization (DTR) Program Category

### A. Downtown Revitalization Program Category—State Objective:

The purpose of the Downtown Revitalization Category is to provide for investments in Nebraska Communities that will contribute to the revitalization or redevelopment of downtown infrastructure, health and safety concerns, and develop a greater capacity for growth. This provides a sound basis for fostering local economic development. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and create a center for community activity which is directly related to business expansion and location decisions.

Activities will assist communities to carry out a comprehensive downtown revitalization pre-development study to stabilize and enhance clearly defined downtown areas that will provide a benefit to low/moderate income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

### B. How and What Projects May be Assisted

#### Distribution of Downtown Revitalization Category Funds

DED will award CDBG funds under the Downtown Revitalization (DTR) Program Category to eligible units of general local government in order to carry out pre-development studies and DTR projects that meet required National and State CDBG objectives. Projects will be carried out in two phases. The first phase is a pre-development phase which will result in the completion of a well-defined, comprehensive pre-development study that defines a series of specific desired outcomes with goals and action steps for improvements to a defined downtown business district. The pre-development study should include: proposed redevelopment plans; the proposed activities that will be completed during project implementation; the activity priorities selected for each project; and reasons for those priorities. In addition, information on the detailed consultation efforts that were completed during pre-development (including the businesses consulted and other interested members of the public). The primary goal of the pre-development study should be the creation of a solid working document that will allow for efficient implementation of project activities once funds for the implementation phase are provided.

The second phase will be awarded after the successful completion and approval by DED of the DTR pre-development study in order to implement project activities or loan programs that have been identified within the pre-development study. The pre-development study must be submitted with the required application in order to receive an award for Phase II activities.

CDBG funds for Phase II are only reserved for communities that were selected to complete Phase I DTR projects, and who successfully completed those projects. This includes Phase I applicants from the 2014 and 2015 Program Years as well.

**Eligible Applicants** include every Nebraska incorporated municipality with a population of less than 50,000 and not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the "Threshold Requirements" for specific thresholds that are also considered in determining eligibility.

**Eligible Activities** generally include:

- Pre-development studies
- All public facility and infrastructure activities that are also eligible under the Public Works Program Category of the Nebraska CDBG Program that are located in the downtown business district or downtown redevelopment district. Activities may include, but are not limited to, the following:
  - street improvements including curb, gutter, and sidewalk, which may include energy efficiency improvements for lighting; storm sewer improvements; flood control drainage improvements;
  - removal of architectural barriers; and single or multiuse facility improvements that are designed to provide public recreational and social activities;
  - removal of architectural barriers that restrict accessibility for elderly and handicapped persons in support of public facilities/infrastructure, which includes buildings used predominantly for the general conduct of government
- Loans to businesses located in the designated downtown business district for façade improvements, which may include energy efficiency improvements
- Loans to businesses located in the designated downtown business district to improve deficiencies in meeting community codes, which may include energy efficiency improvements
- Acquisition, clearance, and code enforcement activities which support other revitalization activities
- Historic restoration, rehabilitation and preservation for physical structures and infrastructure in a defined downtown business district

### **C. Ineligible Activities**

The following activities are ineligible within the DTR Program. If any activity is not noted within the list below, and is not listed as an eligible activity, please consult a CDBG Program Representative in order to determine if any other proposed activities are eligible for the program.

- Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds.
- General government expenses cannot be paid with CDBG funds, except for documented local government administration of the CDBG project.
- CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities.
- The purchase of equipment with CDBG funds is generally ineligible
- Overall, the general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible.

### **D. Compliance with CDBG National Objective Requirements**

All DTR projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

## **E. Grant Amount and Matching Resources**

The maximum grant amount for Phase I (pre-development) activities will be \$30,000 per community. Pre-development activities undertaken to complete Phase I DTR project activities require a 25% match. No more than half of the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total pre-development project costs.

General Administration activities during the pre-development phase may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

The maximum grant amount for Phase II (project implementation) activities will be \$350,000 per community. DTR activities undertaken during Phase II require a 25% match. No more than half of the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total DTR project costs. General Administration activities during the project implementation phase may not exceed 10% of the amount of CDBG funds awarded. General Administration activities do not require any matching funds.

For the current Program Year, \$1,000,000 in CDBG funds will be allocated for Phase I and Phase II DTR activities.

## **F. Threshold and Review Criteria for Submitting DTR Application, Applicant Submission, and Grantee Selection**

Eligible units of general local government may apply individually for DTR Phase I pre-development activities. Funding for Phase II (project implementation) is only reserved for communities who have been selected to complete Phase I.

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

In general, following a Notice of Approval Letter (i.e. Award Letter), Phase I activities must be completed within nine (9) months. Phase II activities must be completed within 24 months following an award.

In order to be eligible for future CDBG funding under the DTR Program Category, local governments must have successfully complete Phase II project implementation activities.

DTR applications must be submitted per the Downtown Revitalization Program Application Guidelines. Phase I applications will be accepted through May 31, 2016. Applications will be accepted during this period based on U.S. Postal Service postmark date or date of delivery by other means.

If all CDBG funding in the DTR Program Category is not awarded during the first round of applications, or CDBG funds are available in other Community Development categories, the Department may determine, in its sole discretion, to accept a second round of DTR applications. Details regarding second round thresholds and acceptance dates would be publically announced by DED.

Prior to any community accessing Phase II funds, the local government will be required to submit the following:

- a complete DTR pre-development study—this study must detail a concise description of the project area; photos of the downtown structures; a description of the potential DTR activities discussed during the pre-development phase; a description of the proposed DTR activities that will be implemented during Phase II; and specific input (including input from downtown businesses) on the types of activities the community would like to see implemented within the downtown during the project.
- A complete CDBG Phase II DTR application that includes all the required documentation and includes specific details regarding the proposed activities that will be completed during Phase II project implementation.

Phase II DTR applications must be submitted after the completion of Phase I activities. It is anticipated that Phase II application submittals will be made beginning in February 2017.

The Matrix below describes each selection criteria as a numerical score within the DTR Program for Phase I (Planning). The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Project Need	Project Impact	Project Readiness	Business and Community Support	Matching Funds	MEF	Bonus Points	<b>SUBTOTAL</b>	Onsite Review	<b>TOTAL</b>
200	150	200	100	50	100	100	<b>900</b>	100	<b>1,000 points</b>
100 min	100 min	100 min	50 min	0	0	NA	<b>350</b>	50	<b>400 min</b>

For each of the following sections a project narrative must be provided and any additional information as noted within each individual application question.

- 1. Project Need:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of project need will be compared to other applicants.

Points in this section include:

- 0-75 —no clearly defined problem or no clear description of the need for the project.
- 76-150—minor problems or minor need are only defined.
- 151-200—major problems or description of project need is clearly defined.

The application narrative shall be scored for: (a) explanations of the overall purpose of the project application and factual information that illustrates the severity of the downtown problems or needs up to 100 points; (b) past efforts to resolve the problem and meet downtown needs up to 50 points; and (c) stated goals and objectives for resolving the problem or need with a description of how the community will be included in the citizen participation process in order to determine the objectives for problem resolution up to 50 points.

- 2. Project Impact:** Up to 150 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-50 —inadequately defined project impact.
- 51-100—reasonably defined project impact that is average compared to other applicants.
- 101-150—above average description of project impact.

Within this section, the applicant should explain what the expected outcome of the project will be and why the community will be uniquely impacted by project completion. Examples of impacts may include fostering economic development in the downtown or increasing the community's ability to maintain future improvements within the downtown that may lead to additional investment within the community.

- 3. Project Readiness:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I is complete, no active code enforcement in place.
- 76-125—local capacity is demonstrated through past projects, past downtown and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan and demonstrated active code enforcement is in place.
- 126-200—Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan, active code enforcement in place, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to downtown development.

- 4. Business & Community Support:** Up to 100 points possible. A minimum of 50 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from the local business community will be compared to other applicants.



Points in this section include:

- 0-49 —no evidence, or very little evidence from the business community that it will commit resources and support downtown revitalization efforts.
- 50-100 —significant evidence from the business community that it will commit resources and support downtown revitalization efforts. This includes: letters of support; financial commitments from businesses; letters of intent from businesses to commit resources to the project; and any other evidence that identifies the support of the business community

**5. Matching Funds:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of DTR applications, matching funds are defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match.

Points will be awarded to applicants based on the amount of matching funds provided that exceed the required match. Communities who provide more matching funds will receive points within this section. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

**6. MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city’s population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

- a. Municipalities with a population of 5,000 inhabitants or more;
- b. Municipalities with a population between 800 and 5,000 inhabitants; and
- c. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

**7. Bonus Points:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

- c. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>. **75 bonus points**
- d. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community-improvement/leadership-community>. **75 bonus points**
- e. The community has a Redevelopment Authority or other downtown/business/community organization structure that is operational and functioning within the community. **25 bonus points**

Upon application submittal to the Department, all Phase I applications will be reviewed for the above mentioned criteria. Those applicants who have identified a reasonable proposal; reasonable project design; and meet threshold minimums for scoring criteria will be invited for an on-site review. Site reviews will be conducted by DED staff.

**8. On-Site Review:** Up to 100 points possible. A minimum of 50 points must be earned or the application will not meet threshold and will not be funded. The level of project need and impact will be determined based on an onsite review conducted by the DTR Review Team. This review will compare the proposed project to other application proposals.

Points in this section include:

- 0-50 —less serious problems exist in the downtown; little or no substandard conditions exist; infrastructure is in good/excellent condition; downtown structures are in good/excellent condition; little or no physical or economic blight is identified.
- 51-100—moderate to serious problems exist in the downtown; many substandard conditions exist; infrastructure is in poor condition (including deteriorating streets and sidewalks, accessibility issues, drainage problems, etc.); downtown structures are in poor condition with need for façade improvements; moderate to significant physical or economic blight is identified, with more than 15% of the properties in the project area in a state of physical or economic blight; a number of vacancies exist.

**NOTE:** for this section the term “physical blight” includes deteriorated conditions, or states of

disrepair, of downtown infrastructure, buildings, and other physical elements which detract from the overall appearance and identity of the downtown district. The physical blight adds to depressed property values and impacts the ability to market and attract investment. “Economic blight” includes the existence of vacant, disinvested, or underutilized buildings, and parcels, which represent unrealized commercial potential and create a negative image of the downtown that harms efforts to attract new investment.

**DTR Phase II Selection Criteria Matrix**

**Phase II (Implementation)**

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department in order to describe how the community will implement the downtown revitalization strategy it defined and prioritized within Phase I.

Applicants meeting required thresholds for eligibility and review may submit a Phase II application through February 28, 2017. Phase II applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded up to \$350,000 in CDBG funds for Phase II implementation. Phase II funds within the DTR Program are only reserved for those communities previously selected for Phase I resources. This includes those communities who successfully completed Phase I activities for the 2014 or 2015 Program Years, but did not received Phase II funding resources.

Below is the Scoring Criteria Matrix for the DTR Phase II application. The Matrix describes each selection criteria as a numerical score within the DTR Program. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	
Project Design	Project Readiness	Business and Community Support	Matching Funds	MEF	Bonus Points	<b>TOTAL</b>
350	200	200	50	100	100	<b>1,000 points</b>
200 min	100 min	100 min	0	0	NA	<b>400 min</b>

For each of the following sections a project narrative must be provided and any additional information as noted within each individual application question.

- 1. Project Design:** Up to 350 points is possible. A minimum of 200 points must be earned in this section or the application will not meet threshold and will not be funded. The level of project need will be compared to other applicants.

Points in this section include:

- 0-75—no clearly defined project design for the project.
- 76-150—limited project design is only defined.
- 151-200—significant project design is clearly defined.

- 2. Project Readiness:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of capacity

and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I is complete, no active code enforcement in place.
- 76-125—local capacity is demonstrated through past projects, past downtown and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan and demonstrated active code enforcement is in place.
- 126-200—Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan, active code enforcement in place, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to downtown development.

- 3. Business & Community Support:** Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from the local business community will be compared to other applicants.

Points in this section include:

- 0-75—no evidence, or very little evidence from the local business and the community that it will commit resources and support downtown revitalization efforts.
- 76-125—some evidence from the local businesses and community that it will commit resources and support downtown revitalization efforts. The support is average compared to other applicants. This includes: letters of support; financial commitments from businesses; letters of intent from businesses (and other parties) to commit resources to the project; and any other evidence that identifies the support of the business community and the community as a whole.
- 126-200—significant evidence from the local businesses and community that it will commit resources and support downtown revitalization efforts. This includes: letters of support; financial commitments from businesses; letters of intent from businesses (and other parties) to commit resources to the project; and any other evidence that identifies the support of the business community and the community as a whole.

- 4. Matching Funds:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of DTR applications, matching funds are defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match.

Points will be awarded to applicants based on the amount of matching funds provided that exceed the required match. Communities who provide more matching funds will receive points within this section. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

5. **MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city’s population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

6. **Bonus Points:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:
- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>. **75 bonus points**
  - b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community->

[improvement/leadership-community](#). **75 bonus points**

- c. The community has a Redevelopment Authority or other downtown/business/community organization structure that is operational and functioning within the community. **25 bonus points**

**G. Summary of Milestones/Timeline**

Below is a summary of the milestones that would be completed during a DTR project.

<b>Milestone Summary</b>	<b>Dates</b>
Phase I (Pre-Development) application submitted to DED	May 31, 2016
DED conducts site visits	June 2016
Communities selected/awarded Phase I DTR resources	July 2016
Selected communities conduct Phase I DTR project (9 months)	July 2016 – March 2017
Phase I product and documentation submitted to DED and Phase II (project implementation) application submitted to DED	February 2017
Contract Negotiations conducted between DED and Applicant Communities	April/May 2017
CDBG Awarded for Phase II: Downtown Revitalization Project Activities (Implementation of downtown revitalization plan; 2 year contract)	May 2017

## Economic Development (ED) Funding Category

### Objective

The objective of the Nebraska Department of Economic Development ("Department" or "DED") for the Community Development Block Grant ("CDBG") Economic Development ("ED") category is to assist businesses which expand the state's economic base and which create quality jobs principally benefiting employees in the low and moderate income ("LMI") levels.

**Eligible applicants** include every Nebraska incorporated municipality under 50,000 population; and every Nebraska county.

**Eligible Businesses:** Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program. Refer to the discussion of eligible (and ineligible) businesses below.

**Eligible Activities** include:

- loans to for-profit businesses (through the applicant community) for a variety of business purposes
- public/private facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons

### Compliance with CDBG National Objective Requirements

All project activities must meet one of three national objectives of the CDBG program. The three national objectives are:

- benefiting low and moderate (LMI) income persons
- aiding in the prevention or elimination of slums or blight
- meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community and other financial resources are not available to meet such needs

In the CDBG ED category portion of the CDBG program of the Department, nearly all, if not all, projects in a given program year are funded through meeting the first national objective cited above, namely, benefiting low and moderate income persons. In turn, that LMI benefit is demonstrated in nearly all projects through job creation, job retention, or both job creation and job retention, by a benefited business. Such job creation or job retention must involve the employment of persons, the majority (51% or more) of whom are LMI persons.

## **Maximum Amounts of Awards**

\$1,000,000 will be used as a guideline for an award for any one project under the CDBG ED category.

## **Amount of Loan Forgiveness Flowing Through to a Benefited Business**

The aggregate amount of forgiveness to a benefited business from the CDBG ED category may be an amount up to the total award, and will be determined by DED.

## **Application Timing and Process**

Applications for CDBG ED awards are accepted and considered on an open cycle. The process of application review involves consideration and recommendation by: the Project Review Committee; followed by the Department Director, followed by the office of the Governor. The Department will send a formal Notice of Approval Letter to an applicant community receiving application approval.

The review process by the Department Project Review Committee is based on the individual and collective judgments of Committee members, in consultation with other Department staff as necessary, applying an objective scoring process based on various criteria. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and if positively determined, at what level of funding.

## **Matching Requirements**

All CDBG ED category projects require a minimum 1:1 match of CDBG funds with funds from other (non-CDBG) sources. Put another way, CDBG funds can be no more than 50% of the total project cost.

## **Application Underwriting Guidelines**

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that state programs administering federal CDBG funds will achieve the federal objectives of the CDBG program. The underwriting standards—the decision-making criteria—used in the Nebraska CDBG ED category are designed to address these federal guidelines.

### **The federal CDBG guidelines, as applied by the Department, may be summarized as follows:**

- a. Project costs must be reasonable, not excessive, and must be supported by cost analyses. Transactions must be carried out through arms-length transactions, not insider arrangements.
- b. All proposed sources of financing necessary to carry out the project must be committed. This ensures that time and effort is not wasted on assessing proposals, or awarding funds to projects, that are not in a position to proceed to project completion within a reasonable time. To fulfill this requirement, the Department requires a written verification affirming the various funding parties' intentions to make funds available, and, depending on the nature of the funding party, a showing of their capacity to actually provide such funds.
- c. To the extent practicable, CDBG funds are not to be substituted for other funds. This standard requires a financial underwriting analysis of the project. The level of analysis will vary with the nature and complexity of the project. Since projects in this category provide financing for for-profit businesses, appropriate levels of private source financing (e.g., bank loans) are expected to be present, and equity participation in the project must be sufficient



- given the financial capacity of those owning the enterprise.
- d. Financial feasibility of the project. The public benefit expected from the investment of CDBG funds is the creation and maintenance of LMI jobs. That benefit will not materialize if the project is not financially feasible.
  - e. Avoidance of providing an unreasonable return on investment to the owner of the project. The availability of non-interest bearing loans and forgivable loans to for-profit businesses presents a potential for this to occur which must be addressed in analyzing, and in judging the merits of, each project.
  - f. To the extent practicable, CDBG funds should be disbursed on a pro rata basis with other project funding sources. CDBG money should not be the first money into a project, but rather should flow into a project in proportion to other project funding sources.

Applicants must recognize that CDBG ED funds are limited and not all applications are equally meritorious when viewed from the Department's state-wide perspective.

#### **Application Decision-making Criteria**

The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee.

Scoring 25 points is a necessary condition for further consideration, but is a minimum threshold only and is not solely determinative of a favorable recommendation by the Project Review Committee for awarding CDBG funds based on the application.

• **CDBG \$ Utilization→**

**35 points possible for this component**

---

○ CDBG\$ invested per job created/retained→ 20 points possible

- 0 points = \$35,000 or more
- 4 points = \$30,000 to <\$35,000
- 8 points = \$25,000 to <\$30,000
- 12 points = \$20,000 to <\$25,000
- 16 points = \$15,000 to <\$20,000
- 20 points = <\$15,000

○ CDBG \$ compared to total project \$ (as %)→ 10 points possible

- 0 points = 50%
- 2 points = 33% to <50%
- 6 points = 20% to <33%
- 10 points = <20%

○ Aggregate wages (and benefits) paid to employees in created Jobs within one year compared to CDBG\$ invested (as %)→ 5 points possible

- 0 points = 100% or less
- 2 points = >100% to <125%
- 5 points = 125% or more

○ **Community Impact and Investment→ 30 points possible for this component**

○ Location of community as more economically distressed than others, based on three broad location sectors→ 20 points possible

- 5 points = larger community locations:  
Beatrice, Columbus, Fremont, Grand Island, Hastings, Kearney, Norfolk, North Platte, Scottsbluff/Gering, South Sioux City, Douglas County, Lancaster County, and Sarpy County
- 10 points = not one of the larger community locations, but in the Interstate-80 corridor
- 20 points = rural (encompassing all locations not within the two location sectors above)

○ Due to the nature of Speculative Buildings and Speculative Industrial Parks, 10 points are being awarded to these projects as other factors cannot be determined at this time → 10 points possible

○ **Business Factors→ 40 points possible for this component**

---

○ Owners' equity in project→ 12 points possible

- 0 points = 10% or less
- 4 points = >10% to 20%
- 8 points = >20% to 33%
- 12 points = >33%

- Loan collateral, and loan guarantees→ 6 points possible
    - 0 points = unsecured, or a junior lien position offering little realizable value
    - 1-5 points = for the spectrum in between
    - 6 points = reasonably secured as to collateral value and liquidity, with guarantees in existence
  - Established business, or start-up venture→ 6 points possible
    - 0 points = start-up venture with all the usual risks of failure
    - 3 points = established business, but with negative trends
    - 6 points = established business with positive trends
  - Documentation of \$ commitments by all other project \$ sources→ 4 points possible
  - Duration of commitment to maintaining the created/retained jobs→ 2 points possible
    - 0 points = committing to maintaining only for the minimum required by the Department's guidelines
    - 2 points = committing to substantially more than the minimum
  - Targeted Industry→ 10 points possible
  - **Economic Development or Leadership Certified Community→5 points possible for this component**
  - If the applicant community is qualified as an Economic Development Certified Community or Leadership Community, 5 bonus points are given→ 5 points possible
- 
- **Total Project→ 110 points possible for total of all components**
- 

**Eligible and Ineligible Businesses:** Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program.

For a business to be eligible to be a benefited business under the Department's CDBG ED program, it must:

- meet the definitional criteria to be a "qualified business" as that term is defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made under these guidelines;

**And also,**

- Meet any additional eligibility criteria, and not be ineligible by reason of the exclusions, in these guidelines.

## **Nebraska Advantage Act Criteria**

As a basic narrative for these guidelines, the following listing summarizes the categories of businesses considered to be considered a "qualified business" under the Nebraska Advantage Act. The statutory text (and regulatory interpretations thereof by the Department of Revenue) will prevail in the event of an interpretive conflict with these guidelines. "Qualified businesses" are those engaged in any one (or combination) of the following:

- Research and development
- Manufacturing
- Data processing
- Telecommunications
- Insurance
- Financial Services
- Distribution
- Storage
- Transportation
- Headquarters (administrative)
- Targeted export services (75% of sales outside Nebraska or to the U.S. Government: software development; computer systems design; product testing services, guidance or surveillance systems; technology licensing)

## **Additional CDBG ED Guidelines Criteria and Ineligibility Exclusions**

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$9.00 per hour, as well as provide appropriate employee benefits, for the duration of the project job maintenance period (which period will be established as part of the MOU for the project).
- Non-profit businesses/organizations are ineligible.
- Businesses that derive any revenues from gaming are ineligible.
- Production agriculture enterprises are ineligible. These are excluded because they lack the necessary CDBG ED program guideline requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquacultural facilities.
- Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

## Eligible Activities and Forms of CDBG Assistance

Activities eligible for assistance under the CDBG ED guidelines are primarily (but not exclusively) authorized in Sections 105(a) (14, 15, 17) of the HCDA. All activities must meet the eligibility requirements, and avoid the prohibitions, in the HCDA and in the CDBG regulations. The forms of assistance available in the CDBG ED category are:

- Loans to businesses. The provision of "direct" assistance to eligible, private, for-profit businesses to carry out an economic development project. The assistance is not (and cannot be by the provisions of the HCDA and the CDBG regulations) provided directly to the business from the Department, but rather is passed through the applicant governmental unit. The assistance will be in the form of a loan from the applicant governmental unit to the business. Such loans may be used by the business for almost any legitimate business purpose. Examples of permitted uses include: purchasing land; constructing a building; renovating an existing building; purchasing machinery and equipment; purchasing inventory; and meeting working capital needs. Unless a compelling case, involving extraordinary circumstances can be made by the applicant and the benefited business—refinancing/financial restructurings/"bail-outs" of existing debt are not favored by the Department as an appropriate use of CDBG funds.
  - Loans to businesses may be either low-interest or non-interest bearing, depending on: interest rate market conditions; the particular facts and circumstances of the business and the CDBG application; and the decision regarding loan terms (interest rate being among such loan terms) made by the entity which will be ultimately receiving loan repayments made by the business (which may be the applicant governmental unit, or the Department, or both in some instances).
  - Loan amortizations are to require monthly payments.
  - Other terms of the loan (such as appropriate loan maturity, payment deferrals, and collateral requirements) vary from project to project and will be subjects of negotiation among the parties.
  - Maximum allowed maturities are:
    - 15 years for real estate loans
    - 7 years for machinery/equipment loans
    - 5 years for working capital loans
  - Maximum time for deferral of the initial loan payment is one year from note inception.  
Such payment deferrals are not the norm.
  - Forgiveness of loans. The aggregate amount of forgiveness to a benefited business from the CDBG ED category may be an amount up to the total award, and will be determined by DED.
    - The repayments of the loan are CDBG program income, and the funds are subject to the program income requirements (explained elsewhere in these guidelines) and continue to be subject to CDBG requirements.

- Loan forgiveness is conditional, and for a benefiting business to have its loan achieve the status of being unconditionally forgiven, the benefiting business must completely fulfill the requirements of the project (as they will be outlined in the MOU), particularly including meeting the national objective for the project.
- Public/Private facilities (infrastructure) construction or improvement projects, undertaken for economic development purposes. CDBG funds in these instances are granted directly to the community. In such projects, a business benefiting from the infrastructure project (e.g., from street construction to the proposed site of the business) agrees to locate or expand in the applicant community premised on the infrastructure project, and agrees to create jobs principally benefiting LMI persons (and to maintain those jobs).
  - The public/private facilities project must be essential to the business, and have a direct nexus to the business activities conducted by the business.
  - Typical examples of such public facilities include street construction, street improvements, water supply system improvements, sewer system improvements, and flood and drainage system improvements.
  - Communities should note that any costs for "oversizing" the project to meet community needs beyond the essential needs of the benefited business must be exclusively paid by the community, and such costs borne for "oversizing" will not count toward the required minimum 1:1 community match of CDBG funds.
  - Because the CDBG award in these projects is a grant directly to the community, the matching funds in these projects must come from the community itself and be invested directly into the project costs. Other "matching" which may be done by the business in its location/expansion, e.g., building a new plant, does not serve to fulfill the match requirement in this public facilities component of the CDBG ED program.
  - Even though the CDBG funds in these projects do not flow through to directly benefit the business, the business is benefited—is advantaged—by the project, and the granting of the CDBG funds to the community in the first place is premised upon the business' agreement to locate/expand and to Create and maintain jobs thereby.  
Consequently, the business is required to agree (in the MOU for the project):
    - to carry out the location/expansion of its business facility.
    - to create and maintain jobs having the required LMI benefit.
    - to repay to the community the amount of the CDBG funds awarded to the community and invested in the public facilities project should the business fail to meet the requirements of the MOU.
    - to provide in the application and periodically into the future (for the duration of the job maintenance period) financial information to allow an evaluation of the condition of the business, the likelihood of achieving the job creation and job maintenance requirements; and the business' capacity to repay to the community the amount of the CDBG funds awarded should the business fail to meet the requirements of the MOU.

In the CDBG Economic Development Category for the 2016 Program Year, DED will fund economic development infrastructure activities/projects with the \$1,700,000 of funding allocated to this category. Other activities/projects will be funded from DED's CDBG Economic Development Revolving Loan Fund (also known as the State RLF).

## Tourism Development Funding Category

### A. Tourism Development– State Objective:

The State CDBG objective of the Tourism Development Category is to provide for investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attraction projects that serve the needs of both a regional economy and local community economy are a key element in satisfying the state objective.

### B. How and What Projects May be Assisted Distribution of Downtown Revitalization Category Funds

DED will award grants under Tourism Development to eligible local governments to carry out tourism development projects, defined as tourist attractions (for profit or nonprofit, public or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away. Tourism attractions are sites and facilities that draw visitors from a distance because of their scenic, historic, cultural, scientific, educational, and/or recreational attributes. Tourist attraction projects also serve and provide facilities that service community activities along with regional activities. The projects focus on meeting and improving multi-faceted facilities for assisting in economic development at the local, regional, and statewide level. Tourist attractions meeting the national and state CDBG objectives, which are given priority include:

- Historic restoration, rehabilitation and preservation, such as, buildings or sites either listed in the National Register of Historic Places or eligible for listing, state or local inventory as a historic place, or designated as a state or local landmark or historic district;
- Scientific and educational interpretive sites and facilities, such as, on-site heritage living/work environments, cultural awareness centers and scientific educational centers;
- Heritage, historical, and cultural recreational sites and facilities, such as, buildings or sites either listed in the National Register of Historic Places or eligible for listing, state or local inventory as a historic place, or designated as a state or local landmark or historic district; and
- Supporting activities for the removal of materials and architectural barriers that restrict the mobility and accessibility to existing sites/facilities for elderly and severely disabled persons.

Ineligible activities (sites, attractions, and establishments) which serve more often as tourism support facilities, other than attractions, which include: eating and drinking establishments, commercial lodging accommodations, gasoline stations, commercial rest areas, and gift shops.

### **C. Grant Amount and Matching/Leverage**

Maximum grant is \$350,000 and the minimum is \$50,000 per community/unincorporated county.

There is a range of CDBG funds from \$350,000 to \$0 estimated for distribution in the Tourism category.

All CDBG TD category projects require a minimum 25% (3 CDBG: 1 other) match of CDBG funds with funds from other (non-CDBG) sources. At a maximum, no more than one-half of the total project match may be in-kind source contributions. And at a minimum, at least one-half of the total project matches must be non-CDBG cash contributions. General administration activities require no matching funds.

### **D. Threshold and Review Criteria for Submitting Letter of Intent and Applications Tourism Development/Applicant Submission and Grantee Selection:**

Eligible local governments may individually or jointly apply and receive more than one grant per year in the Tourism Development.

Applications for CDBG TD awarded are accepted and considered on an open cycle. Tourism Development applications will be accepted beginning May 2015. Applications will be submitted as prescribed in the Tourism Development application guidelines.

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- applicant is eligible;
- activities are eligible and comply with national CDBG objectives and state CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions underway that may significantly impact its capacity;
- applicant is following a detailed citizen participation plan and anti-displacement plan; and
- applicant has adopted authorizing participation resolution.
- applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past awards and have responses accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, etc.)

Tourism Development applicants meeting threshold requirements are reviewed by DED according to the Selection Criteria Matrix. When more than one application is under review, those ranking highest in competitive order shall be selected for funding subject to the amount of funds available for each priority. Otherwise, an applicant under individual review will be scored according to the selection criteria and must meet the minimum threshold for consideration for approval.



Applications recommended for approval through these processes will be presented to DED's director and to the office of the Governor for grant award. The DED director has the authority to ask for reconsideration of recommended project awards to assure compliance with the submission and selection criteria. The Department will send a formal Notice of Approval letter to the applicant community receiving application approval.

**Tourism Development - Selection Criteria Matrix**

The matrix on this page delineates each selection criterion as a numerical score applied to the Tourism Development Initiative. The minimum total threshold score is 500 points (including no criterion with 0 points scored). Each selection criterion includes a separate minimum threshold score for qualifying the application. All selection criteria will be scored in five point increments with all scored criterion divisible by five. Each selection criterion shall be scored on a scale. See chart below.

(1)	(2)	(3)	(4)	(5)	
FINANCIAL	IMPACT	SUSTAINABILITY	BENEFIT	READINESS	TOTAL
150	240	240	220	150	1,000

**Financial Support-** the level of financial support (public and/or private) already committed to the project will be compared to other applicants with: 0-50 below average – lack of cash on hand or committed; average; 51-100 average – a solid commitment of cash that meets match requirements; and 101-150 above average – cash on deposit or otherwise secured that meets match requirements. (Maximum 150 points with a minimum threshold of 50 points)

**Project Impact-** the project’s potential for long-term positive impacts on local and regional economies will be compared to other applicants with: 0-80 below average –minimal impact on area support facilities and other attractions; 81-160 average – some impact provided on area support facilities and other attractions; and 161-240 above average – a strong impact on area support facilities and other attractions. (Maximum 240 points with a minimum threshold of 81 points)

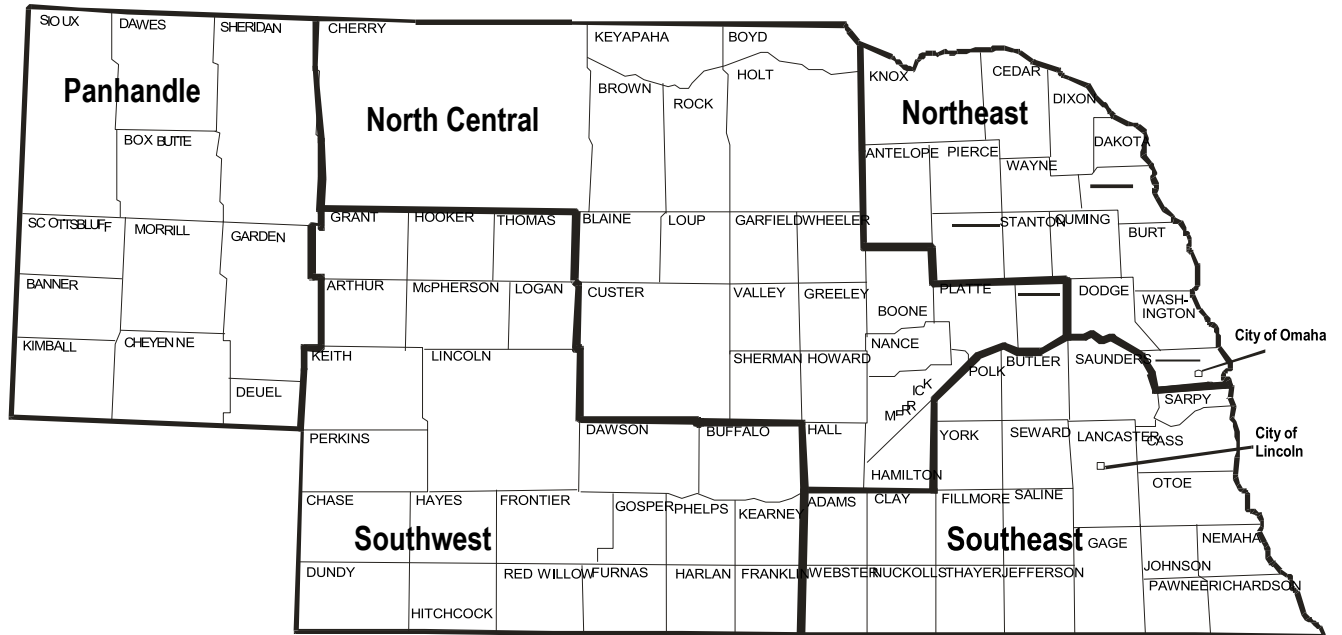
**Sustainability-** the project’s potential for being a long-term operation will be compared to other applicants with: 0-80 below average –serious shortages in personnel budget, a plan to effectively operate, and ability to maintain facility for a long time; 81-160 average – some lack in personnel, budget, and/or plan to effectively manage, operate, and maintain the facility for a long time; and 161-240 above average – personnel, budget, and plan are in place to effectively manage, operate, and maintain the facility for a long period of time. (Maximum 240 points with a minimum threshold of 81 points)

**Benefit -** how the project will benefit the region’s and state’s existing tourism industry will be compared to other applicants with: 0-74 below average – no or minimal benefit identified in the application; 75-149 average – project provides some uniqueness to state’s inventory of attractions, and 150-220 above average – project is a distinct/unique attraction that is not repeated in region or state. (Maximum 220 points with a minimum threshold of 75 points)

**Readiness** - the project's readiness to proceed, complete construction, and open within two years of the project award date will be compared to other applicants with: 0-50 below average— no demonstrated timeline or unsure of when ready to open the project to the public; 51-100 average some doubt as to ability to complete project in a timely manner; and 101-150 above average— plans, land, and financing for operations ensure readiness to open within two years or sooner. (Maximum 150 points with a minimum threshold of 51 points)

# NEBRASKA HOMELESS ASSISTANCE PROGRAM (NHAP) AND EMERGENCY SOLUTIONS GRANT (ESG) ADDITIONAL INFORMATION

## Continuum of Care Regions



### Nebraska Homeless Assistance Program (NHAP) Continuum of Care Regions

**Region 1: Panhandle** (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, Deuel counties)

**Region 2: North Central** (Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, Valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, Hamilton counties)

**Region 3: Southwest** (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Redwillow, Furnas, Harlan, Franklin counties)

**Region 4: Southeast** (Polk, Butler, Saunders, Sarpy, York, Seward, Lancaster [Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, Richardson counties)

**Region 5: Northeast** (Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, Douglas counties [Omaha excluded])

**Region 6: Lincoln**

**Region 7: Omaha**

*U.S. Department of Housing and Urban Development's*  
***EMERGENCY SOLUTIONS GRANT (ESG)***

NEBRASKA HOMELESS ASSISTANCE PROGRAM  
(NHAP)  
STANDARDS



Adopted by the Nebraska Balance of State Continuum of Care  
May 8, 2013

## WRITTEN STANDARDS

Each Nebraska Homeless Assistance Program (NHAP)-funded service provider shall comply with the minimum written standards for providing assistance established by the Nebraska Balance of State Continuum of Care. NHAP funding is a combination of federal Emergency Solutions Grant (ESG) and Nebraska Homeless Shelter Assistance Trust Fund (HSATF) funds. As HSATF funds are used to meet the match requirement for ESG funds, services reimbursed by either source shall comply with the same requirements.

Each provider may decide to set standards on their provision of ESG that exceed these minimum standards, but will at the very least comply with the following:

## GENERAL STANDARDS

### **PARTICIPANT ELIGIBILITY:**

Minimum standards for evaluating individual and family eligibility for assistance under Emergency Solutions Grant (ESG) are:

- **Street Outreach** – People who qualify as ‘unsheltered homeless,’ based on paragraph (1)(i) of the “homeless” definition found at 24 CFR 576.2 are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.101): *engagement, case management, emergency health and mental health services, transportation*
- **Emergency Shelter** – People who qualify as ‘homeless,’ based on paragraphs (1, 2, 3 or 4) of the “homeless” definition found at 24 CFR 576.2 are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.102): *case management; child care; education, employment and life skills services; legal services; health, mental health and substance abuse services; transportation*  
**NOT ALLOWABLE: Mortgage and mortgage arrearage payments.**
- **Rapid Re-housing** – People who qualify as ‘homeless,’ based on paragraphs (1 or 4) of the “homeless” definition found at 24 CFR 576.2 and who moving into a housing unit that meets HUD’s habitability and lead-based paint standards are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.104, 576.105, 576.106):
  - **Housing Relocation and Stabilization Services:** *moving costs, rent application fees, security deposits, last month’s rent, utility deposits, utility payments, housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management*
  - **Rental Assistance:** *short-term (up to 3 months) and medium-term (4-24 months) rental assistance, up to 24 months total during a 3-year period in tenant-based or project-based housing*  
The 24 months may include a one-time payment for up to 6 months of rent arrears on the tenant’s portion of the rent. Rent amount must meet the federal requirements for Fair Market Rent (24 CFR 888) and the HUD standard for rent

reasonableness (24 CFR 982.507). There must be a rental agreement between the landlord and agency and a written lease between tenant and landlord.

**NOT ALLOWABLE: Mortgage and mortgage arrearage payments.**

- **Homelessness Prevention** – People who qualify as ‘at risk of homelessness,’ based on paragraphs (2, 3 or 4) of the “homeless” definition or based on the “At risk of homelessness” definition found at 24 CFR 576.2 and who reside in a housing unit that meets HUD’s habitability and lead-based paint standards and have an annual income below 30% of Area Median Income (AMI), are eligible for the following services, in compliance with federal ESG rules (24 CFR 576.103, 576.105, 576.106):

- **Housing Relocation and Stabilization Services:** *moving costs, rent application fees, security deposits, last month’s rent, utility deposits, utility payments, housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management*
- **Rental Assistance:** *short-term (up to 3 months) and medium-term (4-24 months) rental assistance, up to 24 months total during a 3-year period in tenant-based or project-based housing*

The 24 months may include a one-time payment for up to 6 months of rent arrears on the tenant’s portion of the rent. Rent amount must meet the federal requirements for Fair Market Rent (24 CFR 888) and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental agreement between the landlord and agency and a written lease between tenant and landlord.

**NOT ALLOWABLE: Mortgage and mortgage arrearage payments.**

---

**COORDINATED ASSESSMENT:**

Minimum standards for centralized or coordinated assessment system are:

- Once the Continuum of Care has developed and adopted a centralized or coordinated assessment system in accordance with HUD’s requirements (24 CFR Part 578) all providers within the Continuum of Care’s area, except for victim service providers, shall use that assessment system.
  - A victim service provider may choose not to use the Continuum of Care’s assessment system.
- 

**PROGRAM COORDINATION:**

Minimum standards for program coordination consist of on-going system and program coordination and integration of ESG-funded activities to the maximum extent practicable with the following:

- a. Emergency shelter providers, essential services providers, homelessness prevention, and rapid rehousing assistance providers;
- b. Other homeless assistance providers, including:
  - Shelter Plus Care Program;

- Supportive Housing Program;
  - Section 8 Moderate Rehab Program for Single Room Occupancy Program (SRO) for Homeless Individuals;
  - HUD-Veterans Affairs Supportive Housing (HUD-VASH);
  - Education for Homeless Children and Youth Grants for State and Local Activities (McKinney-Vento Homeless Assistance Act);
  - Grants for the Benefit of Homeless Individuals;
  - Healthcare for the Homeless;
  - Programs for Runaway and Homeless Youth;
  - Projects for the Assistance in the Transition from Homelessness;
  - Services in Supportive Housing Grants;
  - Emergency Food and Shelter Program;
  - Transitional Housing Assistance Grants for Victims of Sexual Abuse, Domestic Violence, and Stalking Program;
  - Homeless Veterans Reintegration Program;
  - Domiciliary Care for Homeless Veterans Program;
  - VA Homeless Providers Grant and Per Diem Program;
  - Health Care for Homeless Veterans Program;
  - Homeless Veterans Dental Program;
  - Supportive Services for Veterans Families Program; and
  - Veterans Justice Outreach Initiative
- c. Mainstream service and housing providers:
- Public housing programs assisted under section 9 of the U.S. Housing Act of 1937;
  - Housing programs receiving Section 8 tenant based or project based assistance;
  - Supportive Housing for Persons with Disabilities;
  - HOME Investment Partnerships Program;
  - Temporary Assistance for Needy Families;
  - Health Center Program;
  - State Children's Health Insurance Program;
  - Head Start;
  - Mental Health and Substance Abuse Block Grants;
  - Services funded under the Workforce Investment Act; and
  - State Housing Related Assistance Program for Adults with Serious Mental Illness
- d. Continuum of Care (CoC) Networks:
- Local Continuum of Care (CoC) meetings – *Nebraska has seven geographic regions, each has a Local CoC;*

- Balance of State (BoS) Continuum of Care and BoS Committee meetings – *Each of the five Local CoCs (excluding Omaha & Lincoln) has two voting representatives on the BoS CoC;*
  - Governor’s Commission on Housing and Homelessness (includes provider representatives); and
  - Various other committees, task forces and workgroups.
- 

**HMIS:**

Minimum standards for ESG data are:

- Providers, except for victim service providers shall actively utilize the Homeless Management Information System (HMIS), to enter data on people served and assistance provided under ESG.
  - Victim service providers shall actively utilize a comparable data system that meets HUD’s standards (24 CFR 576.107).
- 

**INCOME DETERMINATION:**

Minimum standards for determination of an individual or family’s annual income consist of calculating income in compliance with 24 CFR 5.609. Annual income is defined as:

- (a) *Annual income* means all amounts, monetary or not, which:
- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
  - (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
  - (3) Which are not specifically excluded in paragraph (c) of this section.
  - (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.
- 

**CONNECTION WITH OTHER RESOURCES:**

Minimum standards for connection with other resources consist of assisting each participant to obtain, if applicable:

- Appropriate support services including:
    - Permanent housing;
    - Medical health treatment;
    - Mental health treatment;
    - Counseling;
    - Supervision; and
    - Other services needed for independent living.
  - Other governmental and private assistance available to help with housing stability including:
    - Medicaid;
-



- Supplemental Nutrition Assistance Program;
  - Women, Infants and Children (WIC);
  - Federal-State Unemployment Insurance Program;
  - Social Security Disability Insurance (SSDI);
  - Child and Adult Care Food Program; and
  - Other available assistance.
- 

**TERMINATION OF ASSISTANCE:**

Minimum standards for termination of assistance are:

- **In general** – If a program violation occurs and the provider terminates assistance as a result, the termination shall follow an established process that recognizes the rights of the individuals affected. Termination shall only occur in the most severe cases.
  - **Program participants receiving rental assistance or housing relocation or stabilization services** – When terminating rental assistance or housing relocation and stabilization services, the required formal process shall minimally consist of:
    - Written notice clearly stating the reasons for termination;
    - Review of the decision that gives the participant opportunity to present objections to the decision maker; and
    - Prompt written final notice.
  - **Ability to provide further assistance** – Termination will not bar the provider from providing later additional assistance to the same family or individual.
- 

**LEAD-BASED PAINT:**

Minimum standards for all shelters and program participant-occupied housing consist of compliance with the lead-based paint remediation and disclosure requirements identified in 24 CFR 576.403, including the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856) and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R.

---

**SAFETY, SANITATION & PRIVACY:**

Minimum standards for all shelters and program participant-occupied housing consist of compliance with the safety, sanitation & privacy requirements identified in 24 CFR 576.403, including:

**Minimum standards for emergency shelters:**

Any building for which ESG funds were used for conversion, major rehabilitation or other renovation or that receives ESG assistance for shelter operations shall meet state/local government safety and sanitation standards, as well as the following:

- **Structure and materials**–The building must be structurally sound, protect participants from the elements and not pose any threats to their health or safety.

- Products and appliances–Any ESG funded renovation, including major rehabilitation and conversion, must use Energy Star and WaterSense products/appliances.
- Access–The shelter must comply with the applicable Rehabilitation, Fair Housing and Americans with Disabilities Acts and implementing regulations.
- Space and security–Unless it is a day shelter, it must provide appropriate places to sleep, adequate space, and security for residents and their belongings.
- Interior air quality–Each shelter room/space must have proper ventilation and be pollutant free.
- Water supply–Must be free of contamination.
- Sanitary facilities–Each participant must have access to sufficient, sanitary facilities that are in proper operating condition, private and adequate for personal cleanliness and disposal of human waste.
- Thermal environment–The shelter must have the necessary, properly operating heating/cooling facilities.
- Illumination and electricity–The shelter must have adequate and appropriate lighting and safe electrical sources.
- Food preparation–Any food preparation areas must be able to store, prepare, and serve safe and sanitary food.
- Sanitary conditions–The shelter must be in sanitary condition.
- Fire safety–Each occupied unit of the shelter must have at least one working smoke detector and when possible they should be near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas must have at least one working detector and there must be a second means of exiting the building in the event of an emergency.

**Minimum standards for permanent housing** – Providers shall not use ESG funding to help someone remain or move into housing if the housing does not meet the following minimum habitability standards.

- Structure and materials–The building must be structurally sound, protect participants from the elements and not pose any threats to their health or safety.
- Space and security–Each resident must have adequate space and security for themselves and their belongings and an acceptable place to sleep.
- Interior air quality–Each room or space must have proper ventilation and be pollutant free.
- Water supply–Must be free of contamination.
- Sanitary facilities–Residents must have access to sufficient, sanitary facilities that are in proper operating condition, private and adequate for personal cleanliness and disposal of human waste.
- Thermal environment–The housing must have the necessary, properly operating heating/cooling facilities.
- Illumination and electricity–The structure must have adequate and appropriate lighting and safe electrical sources.
- Food preparation–All food preparation areas contain suitable space and equipment to store, prepare, and serve safe and sanitary food.

- Sanitary conditions–The housing must be in sanitary condition.
  - Fire safety:
    - There must be a second means of exiting the building in the event of an emergency.
    - Each unit must include at least one properly working smoke detector on each occupied level of the unit, located when possible in a hallway adjacent to a bedroom.
    - If the unit is occupied by a hearing-impaired person, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom he or she occupies.
    - The public areas of the housing must be equipped with a sufficient number of detectors, but not less than one for each area.
- 

**CONFLICTS OF INTEREST:**

Minimum standards for conflicts of interest are:

**Organizational conflicts of interest:**

- ESG assistance will not be contingent on the individual’s or family’s acceptance or occupancy of emergency shelter or housing owned by the provider or a provider’s subsidiary or parent.
- No provider, with respect to individuals or families occupying housing owned by the provider or a provider’s subsidiary or parent, will carry out the initial evaluation under 24 CFR 576.401 or administer homelessness prevention assistance under 24 CFR 576.103.

**Individual conflicts of interest:**

- When procuring goods and services, the provider will comply with codes of conduct and conflict of interest requirements under 24 CFR 84.42 (private non-profit) or 24 CFR 85.36 (government).

**All transactions/activities:**

- **Conflicts prohibited** – No person involved with the ESG program or who is in a position to participate in a decision-making process or gain inside information regarding the program’s activities, shall obtain a financial interest or benefit from an assisted activity; have a financial interest in any related contract, subcontract, or assisted activity; or have a financial interest in the activity’s proceeds (either himself or herself or those with whom he or she has family or business ties) during his or her tenure or for one year following tenure.
  - **Persons covered** – These conflict of interest provisions apply to any employee, agent, consultant, officer or elected or appointed official of the provider’s agency.
  - **Exceptions** – A provider may request an exception to these provisions from HUD, only if he or she meets the threshold requirements identified in 24 CFR 576.404.
-

**HOMELESS PARTICIPATION:**

Minimum standards for homeless participation are:

- To the maximum extent possible, the provider shall involve homeless individuals and families in paid or volunteer work on the ESG-funded facilities, in providing services under ESG and in providing services for occupants of ESG-funded facilities (24 CFR 576.405).
- 

**FAITH-BASED ACTIVITIES:**

Minimum standards for faith-based activities (24 CFR 576.406) are:

- Providers receiving ESG funding shall not engage in inherently religious activities as part of the ESG-funded programs or services. Such activities must be offered separately from ESG-funded programs and services and participation must be voluntary.
  - A religious organization receiving ESG funding retains independence from government and may continue with its mission provided that ESG funds are not used to support inherently religious activities. An ESG-funded organization retains its authority over its internal governance.
  - An organization receiving ESG funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
  - ESG funding shall not be used for the rehabilitation of structures used specifically for religious activities, but may be used for rehabilitating structures that are used for ESG-eligible activities.
- 

**NONDISCRIMINATION/EQUAL OPPORTUNITY/AFFIRMATIVE OUTREACH:**

Minimum standards shall comply with the requirements for nondiscrimination, equal opportunity and affirmative outreach identified in §576.407 (a-b).

---

**PROGRAM INCOME:**

Minimum standards for private non-profit organizations for program income earned during the project period are that the program income shall be retained and used to finance the non-Federal share of the project or program. Records of the receipt and use of program income shall be retained.

---

**RECOVERED MATERIALS:**

Minimum standards for the procurement of recovered materials shall comply with the requirements identified in §576.407(f), including that the recipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials

practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**DISPLACEMENT:** Minimum standards for minimizing the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of a project assisted under ESG shall comply with §576.408 and consist of:

**Minimizing displacement** – Consistent with ESG goals and objectives, the providers shall minimize displacing people as a result of ESG-funded projects.

**Temporary relocation not permitted** - No temporary relocation shall be required for an ESG-funded project. When a tenant has to move for an ESG-funded project, the tenant shall be treated as permanently displaced and offered relocation assistance and payments.

**Relocation assistance for displaced persons -**

In general – A displaced person shall be provided relocation assistance and advised of his or her Fair Housing Rights.

Displaced Person - A “displaced person” is defined as any person that moves from a permanent home as a result of ESG-funded acquisition, rehabilitation, or demolition of a project.

**A person does not qualify as a “displaced person” if the person:**

- Was evicted based on a violation of the lease or occupancy agreement; violation of the law; and the recipient determines that the eviction was not undertaken to evade the obligation to provide relocation assistance.
- Moved into the property after the application was submitted but was provided with written notice that he or she would not qualify as a “displaced person.”
- The person is ineligible under 49 CFR 24.2.
- HUD determines that the person was not displaced as a result of the project.

The State or the provider may request that HUD determine whether or not a displacement would be covered by this rule.

**Real property acquisition requirements** – The acquisition of real property for an ESG funded project is subject to the URA and Federal government wide regulations.

**Appeals** - A person who disagrees with the recipient’s determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance may file a written appeal. A low-income person who disagrees with the recipient’s determination may submit a written request for review of that determination by HUD.

**RECORDS & RECORDKEEPING:**

Minimum standards shall ensure sufficient written records are established and maintained to enable the State and HUD to determine whether ESG requirements are being met and comply with §576.500, including the following:

- Program participant records shall include written:
  - Determination and verification/certification that the program participant met the criteria for being Homeless or At Risk of Homelessness and that an effort was made to obtain written third-party verification, when possible and applicable
  - Determination and verification/certification that the program participant was eligible or ineligible for the particular services and/or financial assistance
  - Determination and verification/certification that the program participant lacked sufficient resources and support networks to provide the assistance
  - Determination and verification/certification that the program participant met income requirements and that an effort was made to obtain written third-party verification, when possible and applicable
  - Identification of the specific services and financial assistance amounts that were provided to the program participant
  - When applicable, verification that the services were terminated in compliance with 576.402
  - When adopted by the Continuum of Care, a copy of the CoC-approved centralized or coordinated assessment of the program participant
  - Copies of written leases and rental agreements, documentation of payments made, including dates of occupancy, and compliance with fair market rent, rent reasonableness and utility allowance requirements
  - Determination and verification that the housing unit met HUD's habitability and lead-based paint standards
  - Copy of individualized housing stability plan
  - Notes verifying case management services were provided at least monthly, unless exempt from this requirement
  - Notes verifying program participant's eligibility was re-evaluated at least every 3 months for homelessness prevention services or at least annually for rapid rehousing services
  - Notes verifying program participant was assisted to obtain necessary mainstream and other resources
- Program policies and procedures shall indicate:
  - Services are coordinated with Continuum(s) of Care, other homeless assistance/prevention programs and mainstream service and assistance programs
  - Compliance with HUD's ESG (24 CFR 576) requirements for:
    - Shelter and housing standards

- Conflict of interest
  - Homeless participation
  - Faith-based activity
  - Nondiscrimination, equal opportunity and affirmative outreach
  - Uniform administrative rules (24 CFR part 84)
  - Environmental review
  - Lobbying and disclosure (24 CFR part 87)
  - Displacement, relocation and acquisition
  - Procurement (24 CFR 84.40-84.48)
  - Program participant records are kept secure and confidential
  - Participation in HMIS or comparable database
  - Financial records shall include:
    - Supporting documentation for all costs charged to ESG grant
    - Documentation showing ESG funds were spent on allowable costs in accordance with the requirements for eligible activities and costs principles
    - Documentation of the receipt and use of program income
    - Copies of procurement contracts
-

## STREET OUTREACH STANDARDS

### MINIMUM STANDARDS:

#### **Targeting/Engagement:**

Providers of Street Outreach services shall target unsheltered homeless individuals and families, meaning those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground.

#### **Assessment/Service Provision/Referral/Prioritization:**

- Individuals and families shall be offered an initial need and eligibility assessment and qualifying program participants, including those meeting special population criteria, will be offered the following Street Outreach services, as needed and appropriate: engagement, case management, emergency health and mental health, transportation services.
- When appropriate based on the individual's needs and wishes, the provision of or referral to rapid rehousing services that can quickly assist individuals to obtain safe, permanent housing shall be prioritized over the provision of or referral to emergency shelter or transitional housing services.



## EMERGENCY SHELTER STANDARDS

### MINIMUM STANDARDS:

- **Admission:**  
Providers of Emergency Shelter services shall admit individuals and families who meet the HUD definition of “homeless,” as specified in 24 CFR 576.2 (1, 2, 3 & 4) and agencies’ eligibility criteria.
- **Assessment:**  
Individuals and families shall be offered an initial need and eligibility assessment and qualifying program participants, including those meeting special population criteria, will be offered Emergency Shelter services, as needed and appropriate.
- **Prioritization/Diversion/Referral:**  
When appropriate based on the individual’s needs and wishes, the provision of or referral to Homeless Prevention or Rapid Rehousing services that can quickly assist individuals to maintain or obtain safe, permanent housing shall be prioritized over the provision of Emergency Shelter or Transitional Housing services.
- **Reassessment:**  
Program participants will be reassessed as case management progresses, based on the individual service provider’s policies.
- **Discharge/Length of Stay:**  
Program participants shall be discharged from Emergency Shelter services when they choose to leave or when they have successfully obtained safe, permanent housing. Any Length of Stay limitations shall be determined by the individual service provider’s policies and clearly communicated to program participants.
- **Safety and Shelter Safeguards for Special Populations:**  
Safety and Shelter Safeguards shall be determined by the individual Special Population service provider’s policies and clearly communicated to program participants.

## HOMELESSNESS PREVENTION AND RAPID RE-HOUSING STANDARDS

### **ELIGIBILITY/PRIORITIZATION:**

Minimum standards for determining and prioritizing which eligible families and individuals shall receive homelessness prevention assistance and which eligible families and individuals shall receive rapid rehousing assistance are:

- **Rapid Re-housing (RR)** – To be eligible for RR Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance, people must:
  - Meet the federal criteria under paragraph (1) of the “homeless” definition in 24 CFR 576.2 OR
  - Meet the criteria under paragraph (4) of the “homeless” definition in 24 CFR 576.2 and live in an emergency shelter or other place described in paragraph (1) of the “homeless” definition.
- **Homelessness Prevention (HP)** – To be eligible for HP Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance, people must require HP services to prevent moving into an emergency shelter or another place described in paragraph (1) of the “homeless” definition in 24 CFR 576.2, have an annual income below 30% of the median income for the area and:
  - Meet the federal criteria under the “at risk of homelessness” definition in 24 CFR 576.2 OR
  - Meet the criteria in paragraph (2), (3) or (4) of the “homeless” definition in 24 CFR 576.2.

### **PARTICIPANT CONTRIBUTION:**

Minimum standards for determining what percentage or amount of rent and utilities costs each program participant shall pay while receiving homelessness prevention or rapid rehousing assistance are:

- Participant’s income shall be verified prior to approval for initial and additional financial assistance. Documentation of the participant’s income and expenses, including how the participant is contributing to housing costs, if at all, shall be maintained in participant’s file. This file shall also contain a plan to sustain housing following the assistance, including either a plan to increase income or decrease expenses or both.
- Any additional requirements regarding the percentage or amount of rent and utilities costs each program participant shall pay shall be determined by the individual service provider’s policies and clearly communicated to program participants.

### **RENTAL ASSISTANCE DURATION AND ADJUSTMENT:**

Minimum standards for determining how long a particular program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time are:

- Participants receive approval for the minimum amount of financial assistance necessary to prevent homelessness. Documentation of financial need shall be kept in the participant's file for each month of financial assistance received. Participants shall not be approved for more rental assistance than can be justified given their income and expenses at a given time.
- Any additional requirements regarding how long a program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time shall be determined by the individual service provider's policies and clearly communicated to program participants.

**SERVICE TYPE, AMOUNT & DURATION:**

Minimum standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid rehousing assistance that each program participant shall receive, such as the maximum amount of assistance, maximum number of months the program participant may receive assistance; or the maximum number of times the program participant may receive assistance are:

- **Financial Assistance:**
  - **Use with other subsidies** – Payment for Financial Assistance costs shall not be provided to a participant who is receiving the same type of financial assistance through other public sources or to a participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.
  - **Rental application fees** – Payment shall only be made for fees charged by the owner to all applicants.
  - **Security deposits** – Payment shall not exceed two (2) month's rent.
  - **Last month's rent** – Payment shall not exceed one (1) month's rent and shall be included in calculating the participant's total rental assistance.
  - **Utility deposits** – Payment shall only be made for gas, electric, water and sewage deposits.
  - **Utility payments:**
    - Payment shall not exceed 24 months per participant, including no more than 6 months of utility payments in arrears, per service.
    - A partial payment counts as 1 month.
    - Payment shall only be made if the utility account is in the name of the participant or a member of the same household.
    - Payment shall only be made for gas, electric, water and sewage costs.
    - Participants shall not receive more than 24 months of utility assistance within any 3-year period.
  - **Moving costs** – Payment shall only be made for temporary storage fees accrued after the date the participant begins receiving housing relocation and stabilization services and prior to the date the participant moves into permanent housing. Payment shall not be made for storage fees in arrears.

- **Housing Relocation and Stabilization Services:**

- **Housing search and placement services** – Payment shall only be made for assisting participants to locate, obtain and retain suitable permanent housing through provision of the following services:
  - Assessment of housing barriers, needs and preferences
  - Development of an action plan for locating housing
  - Housing search
  - Outreach to and negotiation with owners
  - Assistance with submitting rental applications and understanding leases
  - Assessment of housing for compliance with ESG requirements for habitability, lead-based paint and rent reasonableness
  - Assistance with obtaining utilities and making moving arrangements
  - Tenant counseling

Payment for housing search and placement services shall not exceed 24 months during any 3-year period.

- **Housing stability case management** – Payment shall only be made for assessing, arranging, coordinating and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or to assist a participant in overcoming immediate barriers to obtaining housing through provision of the following services:
  - Using the centralized or coordinated assessment system
  - Conducting the initial evaluation, including verifying and documenting participant eligibility
  - Counseling
  - Developing, securing and coordinating services and obtaining Federal, State and local benefits
  - Monitoring and evaluating participant progress
  - Providing information and referral to other providers
  - Developing an individualized housing and service plan
  - Conducting re-evaluations

Payment for housing stability case management services provided while the participant is seeking permanent housing shall not exceed 30 days.

Payment for housing stability case management services provided while the participant is living in permanent housing shall not exceed 24 months.

- **Mediation** – Payment shall only be made for the cost of mediation between the participant and the owner or person with whom the participant is living, if it is necessary to prevent the participant from losing the permanent housing where he/she resides. Payment for mediation services shall not exceed 24 months during any 3-year period.

- **Legal services** – Payment shall only be made for the cost of legal services, if they are necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the participant losing the permanent housing where he/she resides. Payment for legal services shall not exceed 24 months during any 3-year period.
- **Credit repair** – Payment shall only be made for the cost of assisting the participant in obtaining skills related to household budgeting, managing money, accessing a free personal credit report and resolving personal credit problems. Payment will not be made for a debt or modification of a debt. Payment for credit repair services shall not exceed 24 months during any 3-year period.

• **Rental Assistance:**

- Payment shall not exceed 24 months total during a 3-year period in tenant-based or project-based housing.
- Payment for short-term rental assistance shall not exceed 3 months.
- Payment for medium-term rental assistance shall be for more than 3 months, but shall not exceed 24 months.
- Payment for rent arrears shall not exceed 6 months and shall be a one-time payment, including any late fees.
- Except for a one-time payment of rental arrears on the participant's portion, payment shall not be provided to a participant who is receiving tenant-based rental assistance or living in a unit receiving project-based assistance or to a participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.
- Payment shall not exceed the Fair Market Rent established by HUD (24 CFR 888) and shall comply with HUD's standard of rent reasonableness (24 CFR 982.507).
- Calculation of the rental payment amount shall only include monthly rent for the unit, any occupancy fees under the lease (except for pet and late fees) and if the participant pays separately for utilities, the monthly utility allowance established by the public housing authority for the area in which the housing is located.
- Payment for shall only be made when there is a rental assistance agreement between the agency and the owner, which sets forth the terms under which rental assistance will be provided, including the prior requirements; a requirement that the owner provide the subrecipient with a copy of any notice to vacate given to the participant or any complaint used to commence an eviction action; and the same payment due date, grace period and late payment penalty requirement as the participant's lease.
- Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement by ESG.

- Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner, except for payment of rental arrears.
- **Tenant-Based Rental Assistance**  
The rental assistance agreement with the unit owner shall be terminated without further payment if:
  - The participant moves out of the unit
  - The lease terminates and is not renewed
  - The participant becomes ineligible to receive ESG rental assistance
- **Project-Based Rental Assistance**  
Payment shall only be made under the following conditions:
  - The lease has an initial term of one year
  - The rental assistance agreement covers one or more permanent housing units in the same building
  - Each unit covered by the agreement is only occupied by participants
  - Payment will only be made for up to 100% of the first month's rent, if the participant signs a lease and moves into the unit before the end of the month

Any additional requirements regarding the type, amount, and duration of housing stabilization and/or relocation services that will be provided to a program participant, including any limitations shall be determined by the individual service provider's policies and clearly communicated to program participants.

**RE-EVALUATIONS:**

Minimum standards for completing eligibility re-evaluations of individuals and families are:

**Timing:**

- Homelessness Prevention – participants shall be re-evaluated not less than once every three months
- Rapid Rehousing – participants shall be re-evaluated not less than once annually

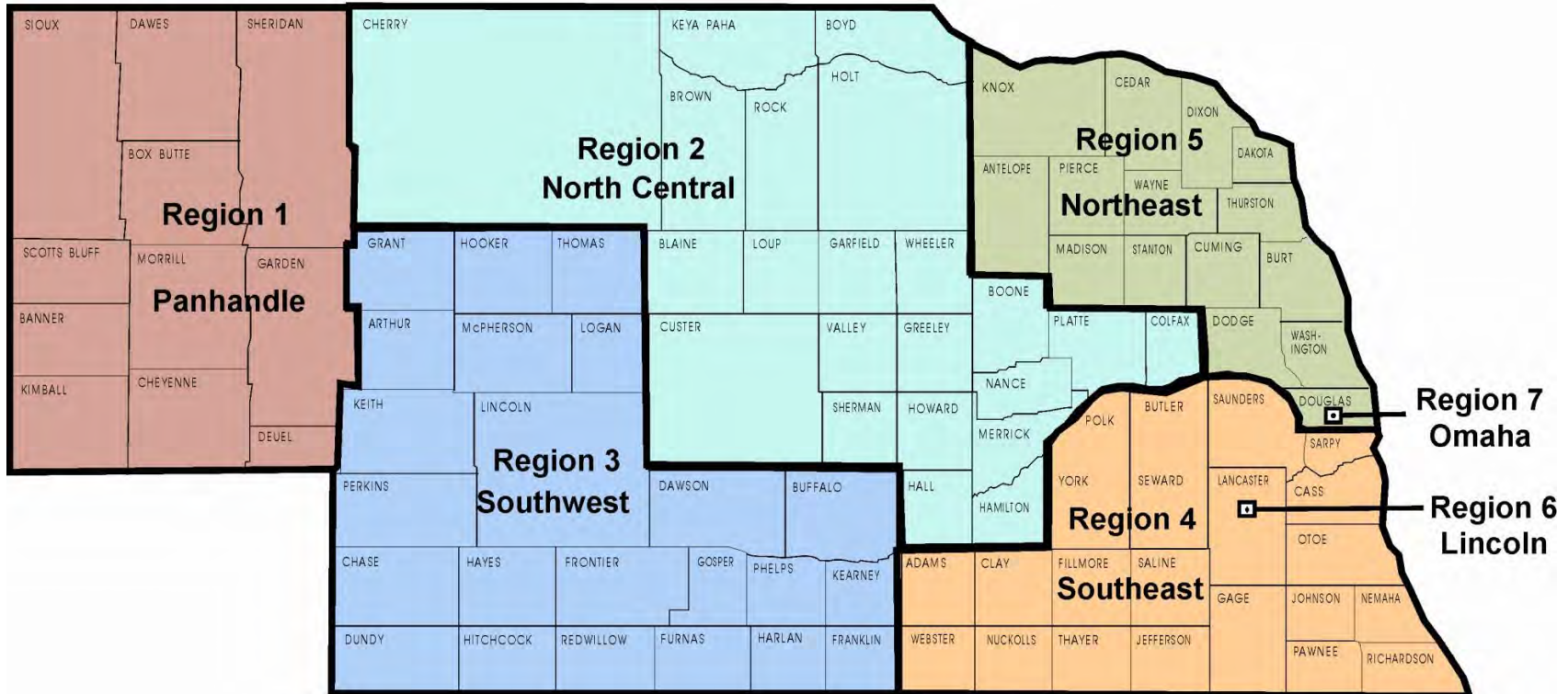
**Eligibility:**

- The participant shall have an annual income that is 30 percent of median family income for the area or less, as determined by HUD; and
- The participant shall lack sufficient resources and support networks necessary to retain housing without ESG assistance.

## NHAP Performance Measures

Program Measures	Street Outreach	Shelter	Homeless Prevention	Rapid Rehousing
Exited to Permanent Housing	Increase %	Increase %	Increase %	Increase %
Exited to Unknown Destination	Decrease %	Decrease %	Decrease %	Decrease %
Exited to Shelter	Increase %			
Exited with Earned Income and/or Mainstream Benefits	Increase %	Increase %	Increase %	Increase %
Average Occupancy		Analyze		
Average Length of Stay in Shelter (days)		Analyze		
Average Length of Service	Analyze	Analyze	Analyze	Analyze

## NEBRASKA HOMELESS ASSISTANCE PROGRAM REGIONAL CONTINUUMS OF CARE



MAP 75 1/04