

**STATE OF NEBRASKA**

**2018**

**Annual Action Plan**

**Substantial Amendment**

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, 2018 - June 30, 2019**

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## **Executive Summary**

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

#### ***Introduction***

The 2018 Annual Action Plan (AAP) is the fourth 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); National Housing Trust Fund (HTF); Emergency Solutions Grant (ESG); 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 with the Consolidated Plan that includes the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF). The CDBG, HOME, HTF, 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). DHHS works in conjunction with DED in developing the Consolidated Plan. ESG & HSATF resources are utilized by DHHS & administered under the Nebraska Homeless Assistance Program. HOPWA resources are utilized by DHHS and administered under the Housing Opportunities for Persons with AIDS 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 NDDHS from 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 based on HUD's CoC Preliminary Pro Rata Need Report. The formula is determined using a minimum funding amount for all regions, population base, poverty data, and pro-rata percent. Through the formal funding process, NHAP adjusted the funding formula for the 2018 funding to emphasize equitable distribution to provide resources across the State of Nebraska as well as identification of quality projects and programs.

The Nebraska Housing Opportunities for Persons with AIDS Program is a grant program that utilizes resources of the Department of Housing and Urban Development (HUD) Housing Opportunities for Persons with AIDS federal grant. Nebraska's HOPWA Program is administered by the Nebraska Department of Health and Human Services (NDHHS), Division of Public Health, Infectious Disease Prevention Unit. The structure of having the HOPWA Program co-located with STD Prevention, Refugees Resettlement, Ryan White Part B, HIV Prevention, Counseling and Testing, Hepatitis, and HIV Surveillance within this Unit supports information sharing, best practices for service delivery, and a collaborative environment for the focused strategies of Nebraska's HOPWA Program. Nebraska's HOPWA Program grants funding to the Nebraska AIDS Project (NAP), which serves as project sponsor. NAP provides HOPWA services statewide through offices located in Omaha, Lincoln, Kearney, Norfolk and Scottsbluff.

A primary goal of Nebraska's 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. 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. Activities of primary importance include providing housing and services that assist households in obtaining and maintaining affordable housing where they can maintain complex medication regimens, address HIV/AIDS related needs, and reach their maximum level of self-sufficiency through standard and/or intensive case management services. In addition to emergency short-term rent, mortgage and utility assistance, long-term tenant-based rental assistance, and permanent housing placement (security deposit and first and last month's rent); referral services, housing counseling and advocacy and assorted supportive services are funded through the HOPWA Program

The Nebraska 2018 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 2018:

CDBG: \$10,754,320  
HOME: \$4,032,977  
ESG: \$942,140  
HOPWA: \$478,117  
HTF: \$3,000,000

In addition, the State anticipates receiving the following total allocation 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 2018.

NAHTF: \$11,250,000 HSATF: \$3,411,811

In addition to the estimated 2018 federal awards, there is federal prior year resources that will be utilized under a number of State Programs:

CDBG: \$6,331,000

HOME: \$1,366,461

ESG: \$45,915

HOPWA: \$231,000

HTF: \$4,539,486

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.

## ***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 2018 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, HTF, ESG, or HOPWA Programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

The future activities funded within the next two years will support at least one objective and one outcome as described above. The statutes for CDBG, HOME, HTF, 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, HTF, 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: providing temporary and/or permanent housing for persons who are homeless; providing assistance to eliminate the risk of homelessness; 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 Continuums of Care.

Within the framework of reaching the NHAP outcomes, funding is focused on program activities which help to improve availability/accessibility of programs to end homelessness throughout Nebraska, cost effectiveness of programs, and sustainability of the funding proposals.

In regard to the Housing Opportunities for Persons with AIDS (HOPWA) Program, A primary goal of Nebraska's 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.

Program outcomes for HOPWA beneficiaries are to maintain housing stability; prevent homelessness; and improve access to care and support. Activities of primary importance that support these outcomes are to include providing housing and services that assist households in obtaining and maintaining affordable housing where they can maintain complex medication regimens, address HIV/AIDS related needs, and reach their maximum level of self-sufficiency through standard and/or intensive case management services.

Research consistently shows that housing is a critical component of HIV care and prevention services.

Nebraska's HOPWA Program funds an array of supportive services and 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, permanent housing placement (first/last month's rent, security deposit and rental application fee), housing information services and resource identification. The HOPWA Program funds and refers for the RentWise tenant education course, refers for budgeting and life skills classes, and refers for other wrap-around supportive services as needed/identified at intake or in an assessment. The HOPWA Program has shown improvement in outreach activities to homeless persons/families living with HIV/AIDS through collaborations with their area local Continuum of Care partners and has expanded the TBRA (Tenant-Based Assistance Program) Program from ten clients to sixteen, with hopes of adding more eligible clients soon.

## ***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 2018 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 2016 Annual Performance Report was submitted to HUD in February of 2018 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, HTF, ESG, and HOPWA.

## ***Summary of Citizen Participation Process and consultation process***

The 2018 Annual Action Plan was made available on the DED website on March 26, 2018, and paper copies made available at 16 libraries. The libraries included: Alliance Public Library (Alliance), Auburn Memorial Library (Auburn), Garfield County (Burwell), Central City Public Library (Central City), Chadron Public Library (Chadron), Lexington Public Library (Lexington), Bennett Martin Public Library (Lincoln), McCook Public Library (McCook), Jensen Memorial Library (Minden), Goodall City Library (Ogallala), W. Dale Clark Library (Omaha), Scottsbluff Public Library (Scottsbluff), Sidney Public Library (Sidney), Wayne Public Library (Wayne), Thomas County Library (Thedford), and Valentine Public Library (Valentine).

A public hearing on the Annual Action Plan was held on April 3, 2018, in Lincoln with sites also in Kearney, Scottsbluff, and Norfolk. Website streaming was also utilized. Prior to the public hearing, public notices were published in newspapers throughout the state per the Citizen Participation Plan requirement of 3 newspapers to be utilized. The newspapers utilized were the Lincoln Journal Star, the Kearney Hub, the Scottsbluff Star Herald, the Beatrice Daily Sun, the North Platte Telegraph, and the Norfolk Daily News. 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 per the Citizen Participation Plan.

Additional information regarding the public hearings and comments and responses are below in the summary of public comments and responses.

## ***Summary of public comments***

### **Public Comments Summary 2018 AAP**

A number of public comments were received during the public comment period for the 2018 Proposed Annual Action Plan, which took place from April 3, 2018 to May 4, 2018 at 11:59 pm Central Time. Comments fell under five general topics, those concerning the CDBG Program, financial issues, affordable housing, AAP process and document; and monitoring. The Department reviewed and discussed the public comments received earnestly and in depth. The summarized public comments are below with responses from the Department.

#### **CDBG Program:**

**Public comments concerning the CDBG Program were submitted. These include the summarized comments and Department responses below such as or concerning:**

The Comprehensive Development (CD) program should allow for rental rehabilitation as an eligible activity, but should not create an unnecessary burden on applicants and administrators of the program. Renter occupied rehab is very similar to CDBG OOR, and has been used successfully for many years by the State and local governments. Unneeded requirements of requiring a specific tenant selection policy, rental application, lease agreement, and tenant rules and regulations in an application are not what has been the practice for many years, and should not be the practice now. Many communities that could utilize the program, particularly those with workforce housing shortages, should be provided flexibility in how the local governments administer these programs. **Department: Thank you for your comments. The Department will take your comments concerning a repair program under advisement. 2018 is anticipated by the Department to be the last Program Year that the CD Program will be offered.**

Requiring tenant incomes to be verified annually, and requiring annual inspections of the property is also counter-productive and overly burdensome. Re-certifying rental occupants and their incomes is not a requirement of the CDBG program and was not a previous requirement by the Nebraska Department of Economic Development. Cities should be able to utilize this much needed tool throughout the state as the ability to rehabilitate existing rental units can assist with providing additional viable units for low income persons, many who are part of each community's workforce. The CDBG program should not be implemented with requirements that are similar to the HOME program, but should be developed similar to CDBG OOR, which does not have these same requirements, particularly related to annual income certifications, etc. The Department should move towards an improved process that is easier to administer and better for the communities. **Department: Thank you for your comments. The Department will take comments concerning income verifications and annual property inspections under advisement.**

The State should develop program guidelines that would better allow for the State's ED RLF fund to be utilized for a variety of economic development activities that would better assist communities. The State has the opportunity to fund projects from the State RLF that meet a number of national objectives,

including low to moderate income and SBA. The Department should create guidelines that will better allow RLF funds to be used, and not only for job creation, but also for ADA accessibility; slum and blight; and other eligible activities. A greater number of communities could be assisted if the Department provided greater emphasis on educating local governments and working on showing how eligible activities could be funded through the State's ED revolving loan fund. **Department: Thank you for your comments. The Department will take your comments under advisement.**

The housing program should better coordinate efforts with the community development and economic development programs in order to spread out application cycles throughout the year. Having several applications due in the first few months of the year is overly burdensome and not in the best interests of the customers. **Department: Thank you for your comments. The Department will take your comments under advisement.**

The OOR full application deadline (as published in the AAP) is the same day as the last day of the CDBG re-certification (October 5). From my personal position, both of these events/dates are very important this year for me and perhaps others who need to recertify prior to July 2019. **Department: Thank you for your comments. The Department will take your comments under advisement.**

#### **Financial:**

**Public comments concerning financial issues were submitted. These include the summarized comments and Department responses below such as or concerning:**

A portion of CDBG resources should be utilized for a "repair" program in which low income neighborhoods could assist individual property owners with emergency repairs, such as water heaters or new roofs. This program is completed using CDBG funds in other communities and states throughout the country and should be implemented in Nebraska's state program. Communities and partners have expressed interest in this type of program and could easily be implemented as there are many other examples to help structure this program. **Department: Thank you for your comments. The Department will take your comments concerning a repair program under advisement.**

All CDBG programs require matching resources, including the Planning program, except for the CDBG owner occupied rehabilitation (OOR) program. This approach is not consistent with all of the other CDBG programs and therefore a match requirement should be implemented. Matching resources, however, should be flexible and allow for other activities in the project area to be utilized as match. For example, if a community is creating ADA accessible sidewalks in the same neighborhood that the OOR program is being implemented, then the City's activities could be considered as match. In-kind contributions should also be considered when calculating match. The intent is not to have the City assist individual property owners, but rather enhance the project area as a whole. Overall, other housing programs funded, such as the NAHTF and Workforce programs, require eligible applicants to provide match. CDBG OOR should also have a match requirement as well. **Department: Thank you for your comments. The Department will take your comments under advisement. The Owner Occupied Rehabilitation activity addresses**

**one of the priorities of the State of Nebraska 2015-2019 Consolidated Plan. The need to retain affordable housing stock is great across the state. The Owner Occupied Rehabilitation activity does not require matching funds. Applications which include match, are awarded points in the scoring criteria.**

The State should increase the amount of general administration, housing management, and construction management resources that are made available for projects in order to more adequately cover the costs of administering and completing projects. This should be the case for economic development, housing, and community development programs. **Department: Thank you for your comments. The Department will take your comments under advisement. The construction and housing management maximum amounts were increased this Program Year.**

Please clarify in the AAP, the amount of funds currently available in the HTF program as the current draft is confusing as to the amount of funds being allocated for the current program year, and previous years. Ensure that that the targeted needs and renter occupied rehab cycles are available, along with the CRANE cycle as there is a great deal of interest in these programs, but many of the very low income service providers were unaware of the application cycles regarding these HTF resources. The public recommends the use of an open cycle, or multiple cycles (similar to CDBG Planning and Tourism) that would better allow for HTF funds to be used throughout the state. **Department: Thank you for your comments. The amounts allocated in the HTF Program of the three Set-Asides for this current year and the amounts available from prior year resources are listed in AP-15, in the AP-30 method of distribution for HTF, and in the appendix within the Final 2018 Estimated Allocation Table and Final 2018 Categorical Distribution Table. The 2018 HTF applications and additional information are located within the AAP Appendix.**

**HTF 2018 Annual Allocation: \$3,000,000**

**HTF Prior Year Resources: \$4,539,486**

**Total HTF Available in Program Year 2018: \$7,239,486**

**2018 CRANE Set-Aside: \$639,486**

**2018 Targeted Needs Set-Aside: \$2,100,000**

**2018 Permanent Housing Set-Aside: \$4,500,000**

I am appreciative of the increased funding limits within the categories of OOR, DTR implementation and Public Works. These new limits will help communities to benefit from increased accomplishments and/or undertake beneficial projects with more cost sharing between the applicant and the Department. **Department: Thank you for your comments.**

#### **Affordable Housing:**

**Public comments concerning the Affordable Housing Program were submitted. These include the summarized comments and Department responses below such as or concerning:**

The State's HOME program should ensure that eligible Community Housing Development Organizations who were previously funded by the State be given the opportunity to recertify as a CHDO even though they may not be requesting additional funds for a new HOME program. This would allow more CHDO's to be able to utilize their designation for other funding opportunities and to continue to utilize CHDO proceeds for new eligible projects. Not allowing previous CHDOs to re-certify is inconsistent with other State's programs and is also inconsistent with previous guidelines and the HOME Final Rule.

**Department: Thank you for your comments. All previously designated CHDOs are eligible for re-designation when they apply for CHDO project funding.**

Because the HOME allocation was greater this year a larger portion of resources should be provided to eligible CHDO's. Funding only two CHDOs throughout the entire state is too little. **Department: CHDO funds have been increased. Awards are based upon the number of applications received.**

The Department should make greater efforts to market and promote the National Housing Trust Fund (HTF) and work with those organizations that serve persons at or below 30% of the Area Median Income as this is the income that the HTF program serves. If the Department should look towards better partnering with DHHS, NIFA, and other organizations to better administer the program and to idea successful ways in which HTF funds can be utilized. There is a significant need for these HTF resources, and significant interest by the very low income service providers, but the Department needs to make better outreach efforts to better implement this much needed program. **Department: The Department has a strong partnership with NIFA, DHHS and the Nebraska Commission on Housing and Homelessness. The Department is increasing marketing efforts for the Housing Trust Fund program.**

The housing program (NAHP) should make better to make their applications more customer friendly as the current applications are overly burdensome. The application requirements are too comprehensive and require a number of unneeded items. For example, a required pre-application and several required exhibits that are not requirements of State programs are being placed in State housing programs. This is unnecessary and burdensome. In addition, many applications being submitted are hundreds of pages long that creates an undue burden on the public. The NAHP should better simplify their program by working with the public, the Nebraska Commission on Housing and Homelessness, and others in order to simplify applications, similar to what the CDBG program has done in the past in which they have utilized an approach that overall looks to funding the best projects but in a way that does not require several hundred page applications. **Department: Thank you for your comments. The Department will take these comments under advisement.**

As the AAP identifies the Nebraska Affordable Housing Trust Fund (NAHTF) program and is part of the overall Plan, it is important for the State to ensure that a more customer-focused approach to housing applications, and housing application guidelines, is implemented. Requiring a 10 year affordability period for NAHTF rental applications is overly burdensome and prevents many communities and non-profits to utilize these resources. Creating NAHTF match requirements that are inconsistent with current housing regulations is also overly burdensome. Match requirements should be very flexible and customer friendly as many applicants are unable to obtain the necessary match for projects when it is too restrictive. **Department: Thank you for your comment. The Nebraska Affordable Housing Trust**

**Fund program is addressed in the Nebraska Affordable Housing Act Qualified Allocation Plan (QAP) and these comments should be offered under that comment period.**

**AAP:**

**Public comments concerning the Annual Action Plan were submitted. These include the summarized comments and Department responses below such as or concerning:**

Include a section in the Appendices that notes all the 2018 Application Acceptance Dates. This has been previously noted in past plans and should be included in the 2018 plan so that the public has an idea as to the estimated application dates for all programs. **Department: Thank you for your comments. The 2018 Application Acceptance Dates document has been included in the AAP Appendix.**

Public Hearing – please return to an interactive presentation and discussion form of the AAP. I appreciate the opportunity to ask questions and have a conversation with program representatives. There is a “distancing” between program reps and those of us who work daily in our communities on projects. **Department: Thank you for your comments. The Department will take these comments under advisement. The Department will continue to improve on working with the new technology of Webex that is now being used by NE State Government for satellite site events, while also supporting the public involvement in the citizen participation process. The public is encouraged to participate, ask questions, and provide public comments throughout the entire public citizen participation process.**

The AAP plan was electronically made available March 26 and paper copies made available at libraries on March 29 with the public hearing the following Tuesday, April 3. This was not enough time for people to review the plan before the hearing who were busy with the Rural Workforce Housing Fund application process. Consider revising this timeline. **Department: Thank you for your comments. The Department will take these comments under advisement.**

**Public comments concerning the Monitoring were submitted. These include the summarized comments and Department responses below such as or concerning:**

The State is commended for its efforts to provide improved monitoring techniques in the CDBG program, but requests that the Risk Analysis tool only be utilized once for each community and not for each project. This creates a burden as some communities have multiple applications and thus are having to complete the risk analysis every time (in some instances several times). The risk analysis item should be required only annually and per community, not per project. **Department: Thank you for your comments. The Department will take these comments under advisement.**

The Department should better ensure that HOME rental projects are monitored as they have not been for several years, as is identified in the State’s Annual Performance Report. A failure to monitor any HOME projects, even those located in Lincoln and Omaha (which are close) jeopardizes the viability of



the HOME program, and the NAHTF program, as it shows that the Department is in non-compliance. The Department has been made aware of the need to complete monitoring visits for a number of years, but still continues to not complete the necessary requirements of the HOME Final Rule. The Department should make greater efforts to ensure there is better monitoring compliance as the was the case for the CDBG program in which steps were taken and implemented in order to ensure greater monitoring.

**Department: Thank you for your comments. The Department has made significant steps toward increasing monitoring in all program areas.**

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

There were no comments or views not accepted.

### **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 2018 Annual Action Plan.

### **Public Comments Summary 2018 AAP Substantial Amendment, October 2018**

A 30 day public comment period began on October 2, 2018. The notice of public comment period was published in the following Nebraska publications: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph. The notice was also placed on the Nebraska Department of Economic Development website on September 25, 2018.

No public comments were received during the public comment period of the 2018 AAP Substantial Amendment, October 2018.

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

No public comments were received during the public comment period of the 2018 AAP Substantial Amendment, October 2018.

### **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 2018 Annual Action Plan.

## Public Comments Summary 2018 AAP Substantial Amendment, April 2019

A 7 day public comment period will be conducted on April 24 – May 1, 2019. A waiver was approved by the U.S. Department of Housing and Urban Development on April 2, 2019 allowing the State of Nebraska to reduce the length of the public comment period required for a substantial amendment (24 CFR 91.115 (c)(2) and (i)) from thirty days to seven days (see appendix).

The notice of public comment period was published in the following Nebraska publications: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph. The notice was also placed on the Nebraska Department of Economic Development website on April 19, 2019.

The following public comments were received during the public comment period. Comments are organized by funding source or a general section if the comment applied to multiple funding sources. The public comments received were reviewed and discussed earnestly and in depth. The summarized public comments are below with responses.

### Nebraska Homeless Assistance Program

1. The State's Nebraska Homeless Assistance Program (NHAP) should ensure that applicants in all regions receive full 2<sup>nd</sup> year funding during a renewal year. During this current program year there were adequate resources to fully fund all the renewal applicants at the same levels as their first year, but some regions had their resources reduced. To ensure continued services can be provided by the homeless service providers during their renewal year, they should have the benefit of full funding.

This method can be accomplished by working with the Consolidated Plan Coordinator to ensure that the method of distribution in the AAP allows for full funding in all regions for renewal years, and then the balance of the fund can be distributed to other regions with the remaining surplus.

Overall, the NHAP Coordinator can work with the Consolidated Plan Coordinator to ensure this is timely completed. Because the State is currently in a AAP Plan Amendment Period, the State has the opportunity to revise their method of distribution for the NHAP program now, and can then ensure these changes will be implemented during the next program years.

**Response:** Thank you for your comment. NHAP utilizes the formula to determine homeless assistance need in regional jurisdictions as set forth by Department of Housing and Urban Development in 24 CFR 578.17(a). Beginning in PY 19, NHAP reallocated 2 counties (Douglas and Sarpy) from regions 2 and 5 to region 7 to align with the defined Continuum of Care service areas. NHAP does utilize a redistribution formula in instances where changes in the Preliminary Pro Rata Need (PPRN) result in a greater than 15% increase/decrease of funding in a particular jurisdiction. The formulaic approach was utilized by NHAP to decrease the impact of the reallocation on affected regions. For all applicants, despite their regional location, funding cannot be guaranteed from one year to the next due to the competitive evaluation process conducted through independent review teams.

## Community Development Block Grant

2. A portion of CDBG resources should be utilized for a “repair” program in which low income neighborhoods could assist individual property owners with emergency repairs, such as water heaters or new roofs. This program is completed using CDBG funds in other communities and states throughout the country and should be implemented in Nebraska’s state program. Communities and partners have expressed interest in this type of program and could easily be implemented as there are many other examples to help structure this program.

**Response:** Thank you for your comments. The Department will take your comments concerning a repair program under advisement.

3. All CDBG programs require matching resources, including the Planning program, except for the CDBG owner occupied rehabilitation (OOR) program. This approach is not consistent with all of the other CDBG programs and therefore a match requirement should be implemented. Matching resources, however, should be flexible and allow for other activities in the project area to be utilized as match. For example, if a community is creating ADA accessible sidewalks in the same neighborhood that the OOR program is being implemented, then the City’s activities could be considered as match. In-kind contributions should also be considered when calculating match. The intent is not to have the City assist individual property owners, but rather enhance the project area as a whole. Overall, other housing programs funded, such as the NAHTF and Workforce programs, require eligible applicants to provide match. CDBG OOR should also have a match requirement as well.

**Response:** Thank you for your comments. The Department will take your comments under advisement. The Owner Occupied Rehabilitation activity addresses one of the priorities of the State of Nebraska 2015 – 2019 Consolidated Plan.

4. The section in the Appendices on CDBG program income (previously titled “Program Income and the State’s CDBG Revolving Loan Fund” appears to be missing and should have been included in the AAP draft. The public should have an opportunity to review the State’s approach to utilizing CDBG program income that is generally \$2 million per year with a balance generally over \$10 million.

**Response:** Thank you for your comment. The distribution of the State CDBG RLF is discussed within the Method of Distribution for the 1) CDBG Economic Development Category and 2) the CDBG Emergent Threat Category. The distribution of the State CDBG RLF is also discussed within the Appendix within the Chapter 8 of the CDBG Administration Manual.

5. The Comprehensive Development (CD) program should allow for rental rehabilitation as an eligible activity, but should not create an unnecessary burden on applicants and administrators of the program. Renter occupied rehab is very similar to CDBG OOR, and has been used successfully for many years by the State and local governments. Unneeded requirements of requiring a specific tenant selection policy, rental application, lease agreement, and tenant rules and regulations in an application are not what has been the practice for many years, and should not be the practice now. Many communities that could utilize the program, particularly those with workforce housing shortages, should be provided flexibility in how the local governments administer these programs.

In addition, requiring tenant incomes to be verified annually, and requiring annual inspections of the property is also counter-productive and overly burdensome. Re-certifying rental occupants and their incomes is not a requirement of the CDBG program and was not a previous requirement by the Nebraska Department of Economic Development. Cities should be able to utilize this much needed tool throughout the state as the ability to rehabilitate existing rental units can assist with providing additional viable units for low income persons, many who are part of each community's workforce. The CDBG program should not be implemented with requirements that are similar to the HOME program, but should be developed similar to CDBG OOR, which does not have these same requirements, particularly related to annual income certifications, etc. The Department should move towards an improved process that is easier to administer and better for the communities.

**Response:** Thank you for comment. 2018 is the last Program Year that the CD Category will be offered. The Department will take comments concerning income verification and annual property inspections under advisement.

6. The State should develop program guidelines that would better allow for the State's ED RLF fund to be utilized for a variety of economic development activities that would better assist communities. The State has the opportunity to fund projects from the State RLF that meet a number of national objectives, including low to moderate income and SBA. The Department should create guidelines that will better allow RLF funds to be used, and not only for job creation, but also for ADA accessibility; slum and blight; and other eligible activities. A greater number of communities could be assisted if the Department provided greater emphasis on educating local governments and working on showing how eligible activities could be funded through the State's ED revolving loan fund.

**Response:** Thank you for your comments. The Department will take your comments under advisement.

7. The State is commended for its efforts to provide improved monitoring techniques in the CDBG program, but requests that the Risk Analysis tool only be utilized once for each community and not for each project. This creates a burden as some communities have multiple applications and thus are having to complete the risk analysis every time (in some instances several times). The risk analysis item should be required only annually and per community, not per project.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

## HOME Investment Partnerships

8. The State's HOME program should ensure that eligible Community Housing Development Organizations who were previously funded by the State be given the opportunity to recertify as a CHDO even though they may not be requesting additional funds for a new HOME program. This would allow more CHDO's to be able to utilize their designation for other funding opportunities and to continue to utilize CHDO proceeds for new eligible projects. Not allowing previous CHDOs to re-certify is inconsistent with other State's programs and is also inconsistent with previous guidelines and the HOME Final Rule.

**Response:** Thank you for your comments. All previously designated CHDOs are eligible for re-designation when they apply for CHDO project funding

9. Because the HOME allocation was greater this year a larger portion of resources should be provided to eligible CHDO's. Funding only two CHDOs throughout the entire state is too little.

**Response:** CHDO funds have been increased. Awards are based upon the number of applications received.

10. The Department should better ensure that HOME rental projects are monitored as they have not been for several years, as is identified in the State's Annual Performance Report. A failure to monitor any HOME projects, even those located in Lincoln and Omaha (which are close) jeopardizes the viability of the HOME program, and the NAHTF program, as it shows that the Department is in non-compliance. The Department has been made aware of the need to complete monitoring visits for a number of years, but still continues to not complete the necessary requirements of the HOME Final Rule. The Department should make greater efforts to ensure there is better monitoring compliance as the was the case for the CDBG program in which steps were taken and implemented in order to ensure greater monitoring.

**Response:** Thank you for your comment. The Department has taken and continues to take significant steps toward increasing our monitoring efforts across all program areas.

## Nebraska Affordable Housing Trust Fund

11. As the AAP identifies the Nebraska Affordable Housing Trust Fund (NAHTF) program and is part of the overall Plan, it is important for the State to ensure that a more customer-focused approach to housing applications, and housing application guidelines, is implemented. Prioritizing a 10 year affordability period for NAHTF applications by providing 25 extra points in the application is overly burdensome and prevents many communities and non-profits to utilize these resources. Creating NAHTF match requirements that are inconsistent with current housing regulations is also overly burdensome. Match requirements should be very flexible and customer friendly as many applicants are unable to obtain the necessary match for projects when it is too restrictive.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

12. A significant amount of resources are being taken out of the original housing cycle for applications that are due on April 30, 2019. Approximately \$2,465,000 is being proposed for removal and

added to a "disaster" cycle, even though the current cycle is open. This is unacceptable as customers are having to work at developing applications while two conflicting QAPs are in effect.

Because there is very little information on what communities, counties, or projects are eligible during the disaster application cycle, it makes it overly difficult for current applicants to finalize their project proposals for the current application cycle. For example, if a community is currently applying for NAHTF resources, but they also happen to be in an overly flooded area, they may determine that it is more appropriate to shift resources from their current application to their disaster application, but because there is too much uncertainty on what this new application might look like and require it makes it impossible to make this determination.

One simple solution is to halt the current application cycle and move the due date to be consistent with the disaster cycle. This allows all customers the opportunity to make informed decisions on which projects they wish to apply for and which cycles will be most appropriate for their applications.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

- 13.** The current 2019 QAP that is in effect notes that \$9,465,000 in NAHTF resources are available for applications due on April 30, 2019, but the Amendment to the 2019 QAP notes that \$7,000,000 is available in the same housing projects cycle. This information is inconsistent and does not allow customers to make informed decisions on the applications they may wish to apply for because the Department has the ability to revise the QAP, and make any changes to it, after the conclusion of the public comment period. This makes finalizing current applications infeasible.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

- 14.** The public was provided very limited public notice about a proposed change to the QAP, and in fact the Nebraska Commission of Housing and Homelessness (NCHH), which by Statute (under Neb. Rev. Stat. §58-704 of the Nebraska Affordable Housing Act) should have had the opportunity to discuss and consult on the proposed amendment prior to the overall public being notified of the proposed changes. Allowing for the NCHH to only be notified of proposed changes to the QAP on the same day as a Press Release was posted regarding the changes is not acceptable and is not a customer focused approach.

Neb. Rev. Stat. §58-704 of the Nebraska Affordable Housing Act created a housing advisory committee to assist the Department in implementing and carrying out the activities of the Nebraska Affordable Housing Trust Fund. This committee, now known as the Nebraska Commission on Housing Homelessness (NCHH), should have reasonable and appropriate opportunity to work with the Department in the creation and implementation of any proposed amendments to the QAP. The Department should extend the public comment period for this amendment until after the NCHH, and others, have adequate time to review and discuss this amendment because the changes to the NAHTF QAP have statewide implications.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

15. The QAP notes that the NAHTF allocation requires a 10% cash match for all projects. This is inconsistent with current DED regulations. Creating NAHTF match requirements that are inconsistent with current housing regulations are overly burdensome.

The current regulations only require a 10% match for projects that include a for-profit entity working in conjunction with other qualified recipients. In 2017, the Department revised this interpretation without any regulatory change, and without working with the necessary entities that allow for regulatory amendments. The Department should be mindful of the customers utilizing the Trust Funds. An improper and narrow interpretation of “match” by allowing only “cash” resources for projects harms the very beneficiaries the Trust Fund is proposed to serve.

This “cash” interpretation is also inconsistent with other State initiatives that rely on documentary stamp tax resources, such as the Site and Building Fund, which notes that matching resources are required but that these resources do not have to be made in cash at the time of an application.

The general consensus from customers throughout the state is that the Department should move forward with a more flexible approach and show commitment to the Trust Fund, affordable housing, and collaboration with housing partners by creating simple policies that provide flexibility in determining matching requirements. Matching resources for any project should to be very broad in scope and resources must have a clear and direct relationship to the project(s) to be funded with Trust Fund resources. The Department should not overly limit the types of funds that could be utilized to enhance project activities.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

16. It is important for the State to ensure that a more customer-focused approach to housing applications, and housing application guidelines, are implemented. Prioritizing a 10 year affordability period with 25 additional points in an application is not consistent with the intent of the Trust Fund and needed flexibility. The affordability period should be reduced to 5 years for any NAHTF cycle or initiative and no additional points should be assigned to longer affordability periods. This is a reasonable amount of time, and one that many customers would support.

By awarding additional points for a category, such as 25 additional points for a 10 year affordability period forces applicants to unnecessarily revise the applications in the hopes of being funded. Other initiatives that the State Legislature enacted into law that should have priority, such as Enterprise Zones, etc. receive no additional points or priority, but are simply used as “tie breaks” as was noted by Housing Staff during a application guidelines workforce.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

17. No General Administration is being requested by the Department to administer the Trust Fund for the 2019 Program Year (July 1, 2019 to June 30, 2020). \$600,000 has been stricken in the amendment and those resources are proposed to be used in the Disaster Cycle. This means less administrative resources for an agency that needs to administer the Trust Fund and provide quality technical assistance to organizations, communities, and the public. Please explain to the

public how the Department proposes to manage the Trust Fund program without administrative resources.

**Response:** Thank you for your comment. The finalized Qualified Allocation Plan for the Nebraska Affordable Housing Trust Fund outlines the proposed distribution of funds for the 2019 program year in state aid only, it does not reflect the state administrative expenses. State administrative expenses are separate from state aid. Main-line budget bills approved by the legislative and signed by the Governor provide an aid earmark for the Nebraska Affordable Housing Trust Fund, which are intended to be used for state aid purposes only.

18. The Department needs to recognize that regional applications are at a disadvantage during housing application cycles, and place an unneeded burden on customers and communities working on these applications because of the unnecessary requirements of an abundance of data and questions. For example, requiring demographic data on a single community may be feasible, but then requiring the same data for multi-county areas provides a burden on customers and also provides overly complicated and unusable information for staff to review the applications.

An improved strategy for improving State funded applications would be to evaluate how other programs, particular business financing programs work with their customers because their applications are generally smaller in size and less complex. The Department needs to realize that it is working with businesses who happen to also work on housing activities. These nonprofit and for profit organizations would all be better served through improvements to the applications and the application cycles. Working with outside organizations, and even evaluating what other State's require for the applications, would be helpful in drafting better, more concise housing applications that do not provide an unnecessary burden on customers.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

19. The amount of General Administration (at 8 percent) is not appropriate for projects given the amount of time, resources, and reporting requirements needed for projects. With ever increasing costs for doing business, lowering the percent of General Admin from 10% to 8% is not appropriate. As the Department should realize, increases in overall administration percentages have been a result of customer comments and input over the years. General Admin should be raised to 10 percent or more, and Housing Management should be left at 12 percent. Providing adequate resources to the organizations that carry out housing projects for the State is important for sustainability. Oftentimes organizations have a greater number of expenditures than what the project allows for project administration, and increasing both General Admin and Housing Management would help reduce the burden placed on customers.

**Response:** Thank you for your comment. The Department will take your comments under advisement.



## General – Relates to Multiple Programs

20. Include a section in the Appendices that notes all the 2018 Application Acceptance Dates. This has been previously noted in past plans and should be included in the 2018 plan so that the public has an idea as to the estimated application dates for all programs.

**Response:** Thank you for your comments. The 2018 Application Acceptance Dates document has been included in the AAP Appendix.

21. The Department should provide responses to the public comments submitted in the both the AAP and the NAHTF QAP as the State should consider all public comments prior to finalizing plans.

Responses to the public comments should be made available to the public and incorporated into the final AAP or NAHTF QAP and any subsequent AAP or QAP Amendments.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

22. The State should increase the amount of general administration, housing management, and construction management resources that are made available for projects in order to more adequately cover the costs of administering and completing projects. This should be the case for economic development, housing, and community development programs.

**Response:** Thank you for your comments. The Department will take your comments under advisement. The construction and housing management maximum amounts were increased this Program Year.

23. The housing program (NAHP) should make better efforts to make their applications more customer friendly as the current applications are overly burdensome. Even though they were changed this year they are very time consuming to prepare and are very repetitious in their questions. The application requirements are too comprehensive and require a number of unneeded items. For example, a required pre-application and several required exhibits that are not requirements of State programs are being placed in State housing programs. This is unnecessary and burdensome. In addition, many applications being submitted are hundreds of pages long that creates an undue burden on the public. The NAHP should better simplify their program by working with the public, the Nebraska Commission on Housing and Homelessness, and others in order to simplify applications, similar to what the CDBG program has done in the past in which they have utilized an approach that overall looks to funding the best projects but in a way that does not require several hundred page applications.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

24. Having an open public comment period and application guideline workshops related to housing activities at the same time customers are trying to finalize their housing applications is inappropriate and does not provide the public with a reasonable opportunity to comment and review upcoming application cycles because many customers are busy working on their applications. The Department needs to make better efforts in coordinating with all Housing and

Community Development Division programs to ensure guideline workshops and public comment periods are outside the same time frame when other housing applications are due. This is a feasible approach, and one that can be accomplished by working with your customers, such as the Economic Development Districts, nonprofits, and other organizations who are working on housing applications to determine a more appropriate schedule for application due dates. A more customer focused approach would be appreciated.

**Response:** Thank you for your comment. The Department will take your comments under advisement.

25. The housing program should better coordinate efforts with the community development and economic development programs in order to spread out application cycles throughout the year. Having several applications due in the first few months of the year is overly burdensome and not in the best interests of the customers. Also application workshops should not be held the last week in which other applications are due to the Department. For example the NAHTF housing applications were due the same week as there were application workshops for CDBG. This conflicting scheduling prevents many customers from attending the workshops since they are finalizing their applications.

**Response:** Thank you for your comments. The Department will take your comments under advisement.

26. The housing program (NAHP) should make better efforts to make their applications more customer friendly as the current applications are overly burdensome. The application requirements are too comprehensive and require a number of unneeded items. For example, a required pre-application and several required exhibits that are not requirements of State programs are being placed in State housing programs. This is unnecessary and burdensome. The NAHP should better simplify their program by working with the public, the Nebraska Commission on Housing and Homelessness, and others in order to simplify applications. Even though some changes to the new applications have been made, they continue to be overly complex, and are inconsistent from section to section of the housing application guidelines.

**Response:** Thank you for your comments. The Department will take these comments under advisement.

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

There were no comments or views not accepted.

### **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 2018 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>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
CDBG Administrator	NEBRASKA	Department of Economic Development/Community Development Division
HOPWA Administrator	NEBRASKA	Department of Health & Human Services/Public Health Division
HOME Administrator	NEBRASKA	Department of Economic Development/ Housing & Field Operations Division
ESG Administrator	NEBRASKA	Department of Health & Human Services/Children & Family Services Division
HTF Administrator	NEBRASKA	Department of Economic Development/Housing & Field Operations Division

**Table 1 – Responsible Agencies**

**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, HOME, and HTF Programs are administered by DED within the Community Development Division and the Housing & Field Operations Division by DED. 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**

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

### **1. Introduction**

DED & DHHS consulted with local governments, State agencies, non-profit organizations, and other members of the public on the preparation of the 2018 AAP. In addition, a focus group was held on November 27, 2017, hosted by DED to discuss with the public their ideas concerning the method of distribution of programs utilizing federal and state resources under the State AAP. Twenty-four citizens participated, representing various agencies, local governments, and development businesses, in addition to DED and DHHS staff. Nicole Sedlacek, from Nebraska Public Power District served as a facilitator and ran the meeting with State staff involved. Discussion included a description of how the AAP is associated with the ConPlan, and how the method of distribution is used as a basis for measuring and assessing performance. Participants were asked to provide feedback on what they considered priority programs and to discuss aspects of each MOD, such as access to information on program and application criteria, threshold factors, grant size maximums, and category allocations. Outcomes of the focus group were that the public would like more guidance on application preparation through workshops and technical assistance, quicker turn-around by housing staff on reviewing applications and completing environmental reviews, increased communication between the State staff and the applicants, and difficulties in creating feasible, successful projects to serve very low-income persons with a \$500,000 grant maximum limit, while simultaneously affording to provide the additional services required for that population. Other comments included that State staff should visit the communities more often in person and get to know the communities; that DTR facade improvement reimbursement can be a difficult process for business owners, and that awards should be serving Nebraskans of the lowest incomes.

DED and DHHS staff participated in the discussions, listened, and provided information when appropriate. State staff verbalized understanding of public frustration with award process timelines; increased guidance needed on application preparation and expectations, and grant maximum limits. DED is planning more in-depth application guidelines workshops, and has increased some grant maximums. Internal processes and procedures are being improved as DED works through a major re-organization of the Community Development, Economic Development, and Housing Teams. The public was encouraged to provide public comments on the 2018 AAP during the upcoming public comment period, in addition to participating next Fall in the 2020-24 Consolidated Planning Process.

**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; nonprofit 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:

To 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.

In regard to the HTF Program, DED consulted with a number of entities that included homeless service providers; housing authorities; the Continuums of Care (CoCs); housing developers; non-profit organizations; the Nebraska Investment Finance Authority (NIFA); the Nebraska Commission on Housing and Homelessness (NCHH); and other communities and organizations throughout the state. The goal of this outreach was to obtain information on how to best administer the HTF Program, particularly in the areas of special needs housing and permanent supportive housing. Through collaboration and consultation, the State was able to develop the HTF Allocation Plan for the current Program Year.

**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 main objective of the NHAP program is to provide an overall "Continuum of Care" approach to address the needs of people who are homeless or are at risk of homelessness. 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 is the recipient of ESG funds allocated for the BoS CoC and the State of Nebraska HSATF dollars that are allocated statewide, NHAP coordinates with the entire Continuum of Care System. NHAP coordinates directly with the Continuum of Care System on an ongoing basis by participating in Continuum meetings, leading strategic planning efforts, supporting the Homeless Management Information System (HMIS), and participating in the establishment and evaluation of ESG and CoC funding priorities. NHAP also takes advantage of as a division of DHHS to

access and coordinate with other divisions and units within DHHS that serve populations that experience homelessness. NHAP is able to coordinate at a state level with the Division of Behavioral Health, the Division of Children and Family Services Protection and Safety as well as the Division of Public Health to address gaps in services.

To effectively help facilitate a cohesive statewide CoC network, a State Continuum of Care Committee has been established which includes representation from governmental, homeless and/or formerly homeless individuals, 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 of the Nebraska Commission on Housing and Homelessness (NCHH). The NCHH serves as an advisory body to the NHAP. 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 persons who are homeless persons at risk of homelessness;

The State CoC Committee is 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 are conducted in person. NHAP attends 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. The State Continuum of Care was



receiving technical assistance through ABT; however, there is no longer funding to support continued technical assistance. The State Continuum of Care continues to meet regularly to discuss emerging practices and strengthen collaboration across the state and to work towards ending homelessness in Nebraska.

As previously mentioned, 2 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. 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, Douglas and Washington, counties).

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. The entitlement cities, Lincoln and Omaha, meet in-person monthly to promote coordination between the member agencies.

The HOPWA project sponsor participates in each of the seven (7) regional Continuum of Care

committees to provide expertise in the area of HIV/AIDS and to officially represent the needs of persons living with HIV/AIDS.

In regard to the HTF Program, DED consulted with a number of entities that included homeless service providers; housing authorities; the Continuums of Care (CoCs); housing developers; non-profit organizations; the Nebraska Investment Finance Authority (NIFA); the Nebraska Commission on Housing and Homelessness (NCHH); and other communities and organizations throughout the state. The goal of this outreach was to obtain information on how to best administer the HTF Program, particularly in the areas of special needs housing and permanent supportive housing.

Through collaboration and consultation, the State was able to develop the HTF Allocation Plan for the current Program Year.

**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**

NHAP gathers input from the regional CoC's through a survey to solicit feedback on funding priorities and to determine identified needs of services prior to posting and allocating funding for the program year. NHAP also utilizes HMIS data, HIC and PIT counts, AHAR reports and prior year's subrecipient data to review past program performance and identified gaps in services across the state. Additionally, the NHAP competitive application process requires reporting of performance measures. Examples include percentage of exits to permanent housing, program participant increase in cash and non-cash benefits, and percent of returns to homelessness (at 6, 12 and 24 months after exit).

State BoS 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, which includes the State Continuum of Care, 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, Center for Children Families and the Law (CCFL), the Department of Health and Human Services, and other collaborating agencies.

The State consults with the BoS CoC on performance standards and outcome evaluations for both CoC and ESG funded programs through monthly conference calls in which NHAP regularly participates. 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. The BoS CoC is currently in the process of finalizing the updated the Written Standards for the ESG/CoC Service Delivery to clarify the Coordinated Entry requirements. Updated written standards can be accessed at <https://ccfl.unl.edu/community-services-management/resources/bos-coc-ne-500>

The HMIS lead agency for the BoS CoC also was selected to implement the Coordinated Entry system for CoC and ESG funded agencies. BoS CoC successfully achieved full compliance with the Coordinated Entry (CE) requirements as established in 24 CFR 578.7(a)(8), 24 CFR 576.400(d) & (e) and Notice CPD-17-01 on January 15th, 2018. See <https://ccfl.unl.edu/community-services-management/coordinated-entry/coordinated-entry-providers> for the Coordinated Entry Manual and other resource materials. The BoS Coordinated Entry System was developed through a Coordinated Entry planning committee comprised of homeless service agencies across the state, the Domestic Violence Coalition, NHAP and other parties. The efforts in developing a CE process led to the “All Doors Lead Home Coordinated Entry”. This established a collaborative approach to find and connect homeless persons as quickly as possible to the most appropriate and effective housing that is housing first and client-choice driven.

To facilitate the statewide prioritization and placement process for the most vulnerable homeless population in the BoS CoC, the Most Vulnerable Review Team (MVRT) was created by the BoS CoC. By using the “All Doors Lead Home Coordinated Entry” approach, the HMIS Client Profile information and VI-SPDAT assessment score are shared with the Most Vulnerable Review Team (MVRT). The MVRT assembles weekly via conference call to discuss, review and select the most vulnerable homeless population in the BoS CoC who can be best served in Permanent Supportive Housing (PSH), Rapid Rehousing (RRH) and Transition Aged Youth (TAY) programs. The goal for this year is to further include Transitional Housing as part of the “All Doors Lead Home” coordinated entry process.

The State also consults CoC System of Care on the development of HMIS policies and procedures. Each month, the BoS CoC will conduct HMIS conference calls to provide on-going training, receive HMIS Regional Coordinator updates, prepare for HUD required reports (HIC/PIT, etc.) and other relevant topics to reporting to the development of policies and procedures for the HMIS system. Additionally, the Nebraska Management Information System (NMIS) will continue to hold quarterly conference calls with all the regional CoCs to ensure unified data standards.

NHAP will continue to utilize ESG and HSATF to provide funding the HMIS system as administered by Center for Children Families and the Law (CCFL). The BoS CoC has selected CCFL as the HMIS administer. To ensure CoC involvement in the competitive funding process utilized for subgranting NHAP funds, the review and selection team for the HMIS provider selection is comprised solely of CoC representatives.

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

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Region 1 Panhandle
	<b>Agency/Group/Organization Type</b>	Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
2	<b>Agency/Group/Organization</b>	Region 2
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails & phone calls.
3	<b>Agency/Group/Organization</b>	Region 3
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
4	<b>Agency/Group/Organization</b>	Region 4
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	consulted through emails & phone calls.
5	<b>Agency/Group/Organization</b>	Region 5
	<b>Agency/Group/Organization Type</b>	Continuum of Care

	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
6	<b>Agency/Group/Organization</b>	State CoC
	<b>Agency/Group/Organization Type</b>	CoC Stakeholders & Human Services
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through phone calls.
7	<b>Agency/Group/Organization</b>	Nebraska State Home Builders Association
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
8	<b>Agency/Group/Organization</b>	CDBG Certified Administrators
	<b>Agency/Group/Organization Type</b>	Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails, phone calls, and in person.</p>



9	<b>Agency/Group/Organization</b>	Nebraska Commission on Housing and Homelessness (NCHH)
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails, phone calls, and in person.</p>

10	<b>Agency/Group/Organization</b>	Nebraska Community Action Agencies
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Other government - State Other government - County Other government - Local Regional organization

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
11	<b>Agency/Group/Organization</b>	Nebraska County Clerks
	<b>Agency/Group/Organization Type</b>	Other government - County

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails.</p>

12	<b>Agency/Group/Organization</b>	Nebraska Economic Developers Association
	<b>Agency/Group/Organization Type</b>	Housing Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through email, phone calls, and in person.
13	<b>Agency/Group/Organization</b>	Nebraska League of Municipalities
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
14	<b>Agency/Group/Organization</b>	Nebraska Regional Officials Council (NROC)
	<b>Agency/Group/Organization Type</b>	Regional organization Business and Civic Leaders

	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails, phone calls, and in person.</p>
<p>15</p>	<p><b>Agency/Group/Organization</b></p>	<p>First Class Nebraska Cities</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Other government - Local</p>



	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
16	<b>Agency/Group/Organization</b>	Nebraska Villages
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
17	<b>Agency/Group/Organization</b>	Non-Profit Organizations
	<b>Agency/Group/Organization Type</b>	various

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
18	<b>Agency/Group/Organization</b>	For Profit Developers
	<b>Agency/Group/Organization Type</b>	Various

	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails, phone calls, and in person.</p>
19	<p><b>Agency/Group/Organization</b></p>	<p>Nebraska Investment Finance Authority (NIFA)</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Quasi-Government</p>

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Needs - Veterans  Homelessness Needs - Unaccompanied youth  Homelessness Strategy  Non-Homeless Special Needs  HOPWA Strategy  Market Analysis  Economic Development  Anti-poverty Strategy  Lead-based Paint Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Consulted through emails, phone calls, and in person.</p>

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

When developing the Con Plan and AAP, the State consulted with all the agencies that the State felt would provide relevant info for the Plans. 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 info 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?
Continuum of Care	Neb Commission on Housing & Homeless.	Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska, 2015-2025; 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-Comp 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-Comp 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-Comp 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.
City of Grand Island-Comp 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 3 - Other local / regional / federal planning efforts**

**Narrative**

The info above provides a description of the coordination & 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. A public hearing is held to obtain citizen comments on the AAP. The hearing is held at a time and location 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 2018 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.opportunity.nebraska.org> or by contacting a staff member at one of the numbers listed at the beginning of this document.

### Citizen Participation Outreach: Annual Action Plan

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/ broad community	Public hearings concerning the 2018 AAP were held on April 3, 2018 in-person at Lincoln, Kearney, Norfolk and Scottsbluff, and via video conference. The 30-day public comment period occurred after the public hearing.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	<a href="https://.opportunity.nebraska.gov">https://.opportunity.nebraska.gov</a>
2	Newspaper Ad	Non-targeted/ broad community	Public notices of the public hearing and public comment period were placed in Nebraska publications including: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	
3	Internet Outreach	Non-targeted/ broad community	The Notice of Public Hearing and Public Comment Period was posted on NDED'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.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	
4	Library Outreach	Non-targeted/ broad community	To increase opportunities for public participation and public comment, the Proposed Plans were sent to 16 libraries throughout Nebraska.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	

**Table 4 – Citizen Participation Outreach**



**Citizen Participation Outreach: Annual Action Plan Substantial Amendment, October 2018**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/ broad community	Public notices of the public comment period were placed in Nebraska publications including: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph.	No public comments received.	No public comments received.	
2	Internet Outreach	Non-targeted/ broad community	The Notice of Public Comment Period was posted on NDED's website, and sent out to the following groups via email: Housing Authorities, Housing Developers, Nebraska Economic Developers Association, Nebraska State Government Officials, Community Action Agencies, CDBG Certified Administrators, the Association of Home Builders, and the League of Municipalities.	No public comments received.	No public comments received.	<a href="https://opportunity.nebraska.gov/notice-of-public-comment-period/">https://opportunity.nebraska.gov/notice-of-public-comment-period/</a>

**Citizen Participation Outreach: Annual Action Plan Substantial Amendment, April 2019**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/ broad community	Public notices of the public comment period were placed in Nebraska publications including: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	
2	Internet Outreach	Non-targeted/ broad community	The Notice of Public Comment Period was posted on NDED's website, and sent out to the following groups via email: Housing Authorities, Housing Developers, Nebraska Economic Developers Association, Nebraska State Government Officials, Community Action Agencies, CDBG Certified Administrators, the Association of Home Builders, and the League of Municipalities.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	<a href="https://opportunity.nebraska.gov/news">https://opportunity.nebraska.gov/news</a>

## Expected Resources

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

#### Introduction

The following table describes the anticipated estimated resources to be allocated throughout Nebraska delineated by program type. These anticipated estimated resource projections are made for FY 2018 and the remaining one year of the 2015-2019 Consolidated Plan. Prior Year Resources, or carryover from the previous fiscal year, are also included in the table. The narrative description for each funding source provides the estimated amount or percentage of state administration dollars that are estimated under each federal or state resource.

Nebraska anticipates receiving the following estimated amounts in FY 2018 from HUD:

CDBG: \$10,754,320;

HOME: \$4,032,977;

ESG: \$942,140;

HOPWA: \$478,117

HTF: \$3,000,000.

The following are 2018 estimated distribution amounts to be distributed for each program which include previous year resources: CDBG: \$16,662,690 and in addition, \$9,013,535 of the CDBG State RLF (*2018 AAP, Substantial Amendment, April 2019 clarification*) will be made available for eligible projects; NAHTF: \$11,250,000; HOME: \$4,996,140; HTF: \$7,239,486; ESG: \$871,479; HOPWA: \$694,773.

The CDBG, HOME, and HTF funding levels shown in AP-15 “Expected Resources” are estimated amounts. The State will adjust this estimated proposed allocation to match the actual allocation amounts from HUD. For CDBG, HOME, and HTF, the budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

ESG: In the event that Nebraska does not receive the estimated funding from HUD, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

HOPWA: The Nebraska Department of Health and Human Services' HOPWA Program will adjust its and their Project Sponsors' estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

In addition, Nebraska anticipates utilizing the following additional estimated State resources in FY 2018: NAHTF: \$11,250,000, with \$10,700,000 utilized for project distribution throughout the state and \$550,000 utilized for state administration. HSATF, in the amount of \$3,411,811. Of which \$3,336,811 utilized in conjunction with ESG funds for project distribution and \$75,000 utilized for state administration. Additional information is identified within the Annual Action Plan as well as supplemental information is provided regarding the annual allocation of resources. This additional information is also provided within the Appendix (<https://opportunity.nebraska.gov/aap>).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder 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	\$10,754,320	\$9,013,535	\$6,331,000	\$26,098,855	\$10,000,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description**

CDBG resources are provided to units of local government for CDBG-eligible activities. In 2018, an estimated \$10,754,320 is anticipated as allocation from HUD. \$10,331,690 of that is estimated to be distributed, in addition to \$6,331,000 in carryover, making an estimated \$16,662,690 will be made available for distribution. In the original 2018 AAP, it was estimated that \$1,320,926 CDBG program income would be received and made available for distribution. With the 2018 AAP, Substantial Amendment (April 2019), the amount of program income is being further clarified. During the 2018 fiscal year, an estimated amount of \$530,000 in program income is expected to be received. These receivables will be added to the State RLF carryover balance of \$8,483,535, making a total of \$9,013,535 available within the CDBG State RLF. Distribution of the funds within the CDBG State RLF will be distributed to eligible projects under the CDBG ED Category and the CDBG EM Category. A portion of the 2018 allocation 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). The State will provide up to \$322,630 (3% of the total CDBG allocation) as match to the CDBG general administration allocation. The State’s matching cost contribution is at least equal to the amount of CDBG general administration funds expended for Program Year 2018. This amount fulfills the one-to-one matching requirements of the CDBG Program. The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations. State recipients and sub-recipients may also receive administration funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder 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	\$4,032,977	\$0	\$1,366,461	\$5,399,438	\$3,000,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

HOME resources are primarily used for rental development and homebuyer activities, including: new construction with down payment assistance 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 2018 25% HOME Match requirement for Nebraska for non-administrative funds (state admin and CHDO Operating). No less than 15% of resources will be utilized for CHDO-eligible activities as is required. In addition, during the 2018 Program Year, \$148,000 will be used to aid organizations throughout the state to develop an eligible HOME CHDO homebuyer activity to begin within 24 months. 10% of the 2018 allocation from HUD will be used for state administration.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder 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	\$478,117	\$0	\$231,000	\$709,117	\$478,117	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

The majority of HOPWA resources are Federal monies that are often matched with resources from Community Action Agencies and frequently paired with services and sources through the Ryan White Part B Program. A Portion of HOPWA funds will be used for administrative expenses provided to the HOPWA Program Sponsor and for the purchase of a case management software system.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder 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	\$942,140	\$0	\$45,915	\$988,055	\$942,140	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities. ESG: \$942,140. The total ESG available for FY18 is \$988,055 which includes a carryover of \$45,915 from FY17 administration allocation. An estimated \$871,479 will be distributed from the 2018 allocation for ESG activities, \$45,915 from prior year resources available and an estimated \$70,661 will be utilized for state administration.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	Public Federal	Acquisition Multifamily rental new construction Multifamily rental rehab New construction for rental	\$3,000,000	\$0	\$4,539,486	\$7,539,486	\$3,000,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

HTF resources are primarily used for rental development and acquisition, rental rehabilitation, and operating assistance and operating reserves for extremely low income persons at or below 30% of the Area Median Income. A portion of the available resources (10%) may be utilized by the State for planning and administration.

During the 2018 Program Year, it is estimated that under the three set-asides there will be available for project distribution the 2018 estimated allocation and \$4,539,486 of prior year project resources which are delineated by Set-aside budgets per the previous year and current year HTF Allocation Plans:

- LIHTC 9% Set-aside: \$639,486, which is comprised of an estimated \$500,000 in 2018 distribution and \$139,486 in prior year resources.
- Targeted Needs Set-aside: \$2,100,000, which is comprised of an estimated \$700,000 in 2018 distribution and \$1,400,000 in prior year resources.
- Permanent Housing Set-aside: \$4,500,000, which is comprised of an estimated \$1,500,000 in 2018 distribution and \$3,000,000 in prior year resources.

There is also an estimated \$600,000 for state administration, of which \$300,000 is prior year resources.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Nebraska Affordable Housing Trust Fund	Public State	Acquisition Admin and Planning Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$11,250,000	\$0	\$0	\$11,250,000	\$11,250,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

An estimated \$11,250,000 in Nebraska Affordable Housing Trust Fund (NAHTF) resources will be utilized to further housing programs throughout the state. Of the total estimated allocation, \$10,700,000 will be made available to be distributed. \$550,000 will be utilized for state administration. A minimum of \$870,420 of the NAHTF allocation will be committed as HOME Match to meet the 2018 HOME Match requirement of 25% for Nebraska for the \$3,481,679 in non-administration funds (state admin and CHDO Operating). There is \$1,366,461 in HOME prior year resources which has already had required 25% Match applied, therefore no further Match is added here. The required HOME Match will be distributed through the joint application cycle through NIFA for tax credit projects.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder 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	\$3,411,811	\$0	\$0	\$3,411,811	\$6,000,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

ESG funds, through the Nebraska Homeless Assistance Program, will be leveraged with Nebraska Homeless Shelter Assistance Trust Fund (HSATF) resources. 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 on average 3.5 million dollars to the Nebraska Homeless Assistance Program. For FY 18 and FY19, NHAP is releasing additional funding (approximately one million dollars per fiscal year) to support the expansion of Rapid Rehousing and Homelessness Prevention to reduce the number of and length of stay for program participants that are unsheltered or residing in emergency shelter.

HSATF dollars serve as the HUD match funds, which well exceeds the 1:1 requirement. DHHS ability to provide 100% of the match for ESG subrecipients is a benefit to non-profit agencies in order to provide homeless services, particularly in communities that are rural and/or have limited access to private and local funding sources in their communities.

In the event that Nebraska does not receive the estimated funding from HUD, NHAP has access to reserve HSATF funding to match the total allocation amounts once the actual amounts are announced by HUD.

The Nebraska Homeless Assistance Program reserves \$75,000 annually of the Homeless Shelter Assistance Trust Funds to be distributed in the event of a natural disaster to assist individuals and families that are homeless and at risk of homeless due to the effects of the natural disaster within the State of Nebraska. Current NHAP funded agencies within any of the Nebraska Continuum of Care Regions that provide service coverage within areas for federally designated disaster zones may apply for the natural disaster relief funds. All activities requested to be funded must comply with the ESG program requirements identified in the Code of Federal Regulations Title 24 Part 576. In instances where natural disaster relief funds are not necessitated within the program year, the legislatively established set-aside funds of \$75,000 are reserved for the subsequent fiscal year to maintain the natural disaster relief fund. Any remaining funds are reallocated to NHAP program activities through the competitive application cycle.

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

DED funds will be utilized in order to meet the leveraging requirements of the CDBG Program, that of providing matching funds for the CDBG administration allocation. This will fulfill the one to one matching requirements of the CDBG Program. The State will provide up to \$322,630 as match to the CDBG general administration allocation (3% of total CDBG allocation for state administration and technical assistance).

This amount will ensure that the State's matching cost contribution is at least equal to the amount of CDBG general administration funds in excess of \$100,000 expended for administration as per 24 CFR 570.489(a). The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations.

CDBG funds will be also be matched with other local resources as explained in the methods of distribution within the annual plan and the 2018 CDBG Application Guidelines for the Comprehensive Development, Downtown Revitalization, Economic Development, Downtown Revitalization, Planning, Public Works, Tourism, and Water-Waste Water categories.

In addition, Nebraska anticipates utilizing the following additional estimated State resources in FY 2018 which demonstrate leveraging from the state: NAHTF: \$11,250,000, with \$10,700,000 utilized for project distribution throughout the state and \$550,000 utilized for state administration; HSATF: \$3,411,811, with \$3,336,811 utilized for project distribution and \$75,000 utilized for state administration. Additional information is identified within the Annual Action Plan and supplemental information is provided regarding the annual allocation of resources. This additional information is also provided within the Appendix. (<https://opportunity.nebraska.gov/aap>).

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 2018 25% HOME Match requirement for Nebraska for non-administration funds (state admin and CHDO Operating).

Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities. ESG funds, through the Nebraska Homeless Assistance Program, will be leveraged with Nebraska Homeless Assistance Trust Fund (HSATF) resources. 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 on average between 1.9-3 million dollars to the Nebraska Homeless Assistance Program. HSATF dollars serve as the HUD ESG match funds, which well exceeds the 1:1 requirement. DHHS' ability to provide match for ESG with HSATF funds is an advantage for non-profit agencies in order to provide homeless services, particularly in communities that are rural and/or have limited access to private and local funding sources in their communities.

For FY18 and FY19, NHAP is releasing additional HSATF funding (approximately one million dollars per fiscal year) to support the expansion of Rapid Rehousing and Homelessness Prevention to reduce the number of and length of stay for program participants that are unsheltered or residing in emergency shelter.

Additionally, some of the NHAP funded subrecipients are awarded HUD CoC funds to provide Permanent Supportive Housing (PSH) housing and essential services to individuals and/or are recipients of HUD Veterans Affairs Supportive Housing (VASH) funds to provide services for homeless veterans. These funds are utilized in tandem with the NHAP funds to provide a continuum of services that meet the array of needs of homeless individuals across the State. The Nebraska Homeless Shelter Assistance Program coordinates with the Balance of State, Omaha, and Lincoln CoCs which assists in seamless provision of services to all homeless individuals across the State of Nebraska.

Lastly, many of the NHAP subrecipients receive additional funding support from a variety of other resources, such as the Community Services Block Grant, state and federal funding sources, and local charitable foundations (such as the United Way) to provide a comprehensive array of services to the participants within their homeless programs. These CoC, VASH, and other federal/State/local funds are not included in the calculations for ESG match for HUD reporting but are considered when DHHS is evaluating financial stability of the organization in the NHAP applicant review process and for DHHS' strategic planning with collaborating agencies.

For the HOPWA Program, the majority of leveraging of funds include public funding, such as Ryan White Parts B and C, the Housing Choice Voucher Program, and the Calico Support Group which consisted of contributions toward rent assistance, medications, Section 8 vouchers, financial and housing utility assistance, food, transportation to care appointments, and HIV care. Leveraging from private funding by the Nebraska AIDS Project-Flowers' Fund provided food and personal care, transportation. Other funding leveraged was from resident rent payments by client to private landlord. Assistance that HOPWA clients receive from outside resources is entered into the Provide Case Management software program to support completion of the Consolidated Annual Performance and Evaluation Report (CAPER).

HTF funds will be leveraged with a variety of public and private resources that may include, but will not be limited to, low income housing tax credits, developer equity, construction and permanent financing,

partner contributions, and other state and federal resources that may be available in order to create successful HTF projects.

**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:** not applicable, see above response

## Annual Goals and Objectives

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

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Program	2015	2019	Affordable Housing	Statewide	Housing Priority Need	CDBG: \$3,100,000 HOME: \$4,996,140 National Housing Trust Fund: \$7,239,486 Neb Afford Housing Trust Fund: \$10,700,000	Rental units constructed: 70 Household Housing Unit Rental units rehabilitated: 30 Household Housing Unit Homeowner Housing Added: 25 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit
2	Community Development Program	2015	2019	Non-Housing Community Development	Statewide	Community Development Priority Need	CDBG: \$16,170,811	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 55,500 Persons Assisted Facade treatment/business building rehabilitation: 35 Business
3	Economic Development Program	2015	2019	Non-Housing Community Development	Statewide	Economic Development Priority Need	CDBG: \$6,405,414	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: \$871,479 Homeless Shelter Assistance Trust Fund: \$3,336,811	Tenant-based rental assistance / Rapid Rehousing: 452 Households Assisted Homeless Person Overnight Shelter: 7224 Persons Assisted Homelessness Prevention: 1483 Persons Assisted
5	HOPWA Program	2015	2019	Homeless Non-Homeless Special Needs	Statewide	HOPWA Services Priority Need	HOPWA: \$694,773	Tenant-based rental assistance / Rapid Rehousing: 12 Households Assisted Other: 45 Other

**Table 5 – Goals Summary**

## AP-21 Annual Goals – 91.320(c)(3)&(e) Narrative (Optional)

### Goal Descriptions

1	<b>Goal Name</b>	Housing Program
	<b>Goal Description</b>	Goal Description: Within the Nebraska Affordable Housing Program resources will be provided that primarily benefit low to moderate income persons, and extremely low income persons, through affordable housing activities. These activities are completed through resources from CDBG, HOME, HTF, and the NAHTF.
2	<b>Goal Name</b>	Community Development Program
	<b>Goal Description</b>	Goal Description: This Program includes planning; public works; water/waste water; comprehensive development; emergent threat; and downtown revitalization activities. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
3	<b>Goal Name</b>	Economic Development Program
	<b>Goal Description</b>	Goal Description: 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.
4	<b>Goal Name</b>	Nebraska Homeless Assistance Program (NHAP)
	<b>Goal Description</b>	<p>Rapid Rehousing-Securing permanent housing options for persons who are homeless with emphasis on addressing needs of the individuals to encourage stability.</p> <p>Homeless Shelter- Providing immediate emergency shelter to people who are homeless as a temporary measure until suitable permanent housing can be secured. Emergency shelter participants may include those individuals fleeing domestic violence/sexual assault/stalking/trafficking victims and may serve as a temporary refuge until individuals can return to their residence safely with supports in place.</p> <p>Homelessness Prevention-Assure needed services are provided to people who are at risk of becoming homeless to prevent entry into emergency shelter or other situations which are not suitable for individuals and/or families.</p>
5	<b>Goal Name</b>	HOPWA Program
	<b>Goal Description</b>	<p>Goal Description: The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.</p> <p>The activities in the "Other" section below include: Short-term Rent/Mortgage Assistance, Permanent Housing Replacement and Supportive Services.</p>

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

### Introduction:

The following are allocation priorities for CDBG, HOME, HTF, 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	12	63	25	0	0	100
HOME	100					100
HOPWA	0	0	0	0	100	100
ESG	0	0	0	100	0	100
HTF (National Housing Trust Fund)	100	0	0		0	100
Other Homeless Shelter Assistance Trust Fund		0	0	100	0	100
Other Neb Afford Housing Trust Fund	100	0	0	0	0	100

Table 6 – 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 clarified amount of \$9,013,535 of available program income through the CDBG State RLF (estimated receivables and CDBG State RLF carryover balance) as identified within the 2018 AAP, Substantial Amendment (April 2019).

NHAP’s priority in allocating funding is to ensure ESG and HSATF funds will be utilized to meet our priority need through a comprehensive approach to address the needs of people who are homeless or

at risk of homelessness throughout the State of Nebraska. Funding is distributed among the 7 geographical regions in Nebraska based on a base amount and pro rata formula based on population and poverty levels.

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) including short-term and long-term rent, permanent housing placement, utility assistance and supportive services. Funds have been allocated for the purchase of case management software as a Request for Proposal (RFP) is in process. 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.

The National Housing Trust Fund (HTF) Program provides additional funds for the housing program and through the third year of implementation of the program additional housing will be provided for extremely low income (ELI), including homeless families.

**How will the proposed distribution of funds 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, HTF, 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 long-term 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

NHAP's priority of making funding available statewide addresses the NHAP Priority Need by funding activities that provide a comprehensive approach to address the needs of people who are homeless or at risk of homelessness throughout the State of 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.

As per HUD regulations, ESG funds will be allocated among several service categories. Each year, an allocation formula is calculated and utilized 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; the Department of Housing and Urban Development's (HUD) pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee. 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 by region.

The Nebraska Homeless Assistance Program (NHAP) is in the process of identifying service gaps in Nebraska and will be coordinating with other state and federal funders and the Department of Economic Development in addressing unmet needs in our communities. To meet this goal, NHAP is identifying available programs throughout the State of Nebraska, requesting feedback from direct homeless service providers and the regional Continuums of Care, monitoring collaboration between homeless service providers, promoting a "no wrong door" to service provision, encouraging the use of the coordinated entry system and evaluation of individuals using the VI-SPDAT tool and collecting data on the length of subrecipients' waitlists, and rates of individuals turned away due to a lack of shelter space and/or funding availability. This feedback and data will be evaluated, and if specific service gaps are identified, the possibility for special project funding will be evaluated for feasibility and availability of funding.

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 five federal resources which include CDBG, HOME, HTF, 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 12 - 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>	
	<b>Describe how resources will be allocated among funding categories.</b>	
	<b>Describe threshold factors and grant size limits.</b>	
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	



## ***Discussion, Federal Programs, Community Development Block Grant (CDBG)***

CDBG funds will be used for activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. During Program Year 2018, projects will be funded in order to meet one of the three CDBG National Objectives: benefit to low- and moderate-income persons, aid in the prevention or elimination of slums or blight, and/or urgent need.

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, Bellevue, and Grand Island) 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.

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 three months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement that 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 2018 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. The NHAP Program includes activities within the Homeless Services Priority Need. The HOPWA Program includes activities within the Housing for Persons with AIDS Priority Need.

A description and details of each State Program and Program Categories are identified in this AP-30 chapter.

**STATE PROGRAM NAME: CDBG Owner Occupied Rehabilitation Program (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 Community Development Block Grant Program (CDBG) within DED. CDBG will utilize an application cycle with the other CDBG programs titled “Community Development Block Grant Application Guidelines”. The CDBG OOR application will be chapter 7 within those guidelines. CDBG funds will only be available for applicants that are CDBG-eligible units of general local government. The CDBG entitlement communities of Omaha, Lincoln, Bellevue, and Grand Island are not eligible for resources.

Specific application questions will be developed for the CDBG OOR Cycle and will include a section for Need/Impact; Collaboration; Readiness/Capacity; 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 Achievements.

The total points available for any given application will be 625 points. Applicants will be required to obtain a minimum of 200 points, 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 CDBG OOR Cycle.

General Administration activities may not exceed \$25,000 or 10% of the total amount of CDBG project costs, whichever is less. The Housing Management activities may not exceed 10% of project costs or \$45,000, whichever is less.

Below is a summary of the milestones:

Milestone Summary	Date
Pre-Application Due	August 3
Full Application Due	October 5
Anticipated Award Notification	November 2018

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

Selection Criteria	Maximum	Overall Threshold Minimum
1. Need/Impact	175	50
2. Collaboration	100	-
3. Readiness/Capacity	175	50
4. Match	50	-
5. Municipal Equalization Fund (MEF) Score	100	-
6. Achievement	25	-
<b>Total</b>	<b>625 points</b>	<b>200 points</b>

Need/Impact and Readiness/Capacity will each have a minimum threshold of 50 points, with the entire application having an overall threshold minimum of 200 points in order for the application to receive funding.

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

Match is not required; however, applicants that commit local funds (including “other” funds and/or in-kind contributions) to the OOR project will be eligible for up to 50 points. No minimum points are required in order to meet threshold for matching funds. See Section 4.02 of the Application Guidelines for more detailed information.

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 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

\$3,100,000 in CDBG resources will be made available to be utilized for the CDBG Owner Occupied Rehabilitation Program. Total distribution includes \$2,000,000 of 2018 CDBG Allocation and \$1,100,000 prior year resources, for a total of \$3,100,000 made available.

The maximum grant amount for CDBG OOR activities will be in an amount up to \$450,000 per community.

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

The threshold factors within the CDBG OOR Program are noted below.

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG National Objective of benefit to low-moderate income persons (LMI) as a threshold for review and funding consideration.

CDBG Owner-Occupied Rehabilitation activities must meet the LMI national objective through benefitting low- to moderate-income households (LMH).

Additional threshold factors include: 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.

The maximum grant amount for CDBG OOR activities will be in an amount up to \$450,000 per community. Match is not required; however, applicants that commit local funds (including “other” funds and/or in-kind contributions) to the OOR project will be eligible for up to 50 points. Total 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 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 project costs or \$25,000, whichever is less. Housing Management activities may not exceed 10% of project costs or \$45,000, whichever is less.

**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)**

**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 comprehensive development projects. The purpose of the CD 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 to carry out an enhanced and stable comprehensive revitalization strategy principally benefitting low- and moderate-income residents of the community.

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II.

At this time, there are no plans to continue this program category beyond this current program year. Future funding cycles for this program category may include another round of Phase I applications and awards.

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

The CD Category combines the Comprehensive Revitalization (CR) and Comprehensive Investment & Stabilization (CIS) into a single, competitive program. Any community with a population of 5,000 or greater may apply for CD Phase I. To be eligible for Phase II funding, the applicant must have received a Phase I grant. Activities funded within the CD Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization program categories.

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II. Two options are available to eligible applicants.

Eligible applicants may submit a Phase I application by the required due date. 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 CDBG funds for Phase I. Phase II funds within the CD Category are only reserved for those communities selected for Phase I resources.

### Phase I (Predevelopment)

The Matrix below describes each selection criteria as a numerical score for the CD Phase I application. A minimum score of 400 points is required and some criteria require a minimum score as noted below.

Selection Criteria Matrix – CDBG CD Category: Phase I Predevelopment		
Item	Criteria	Points Possible
1.	Project Need	Threshold: 100 points 200
2.	Project Impact	Threshold: 100 points 200
3.	Project Readiness	Threshold: 100 points 200
4.	Community Support	Threshold: 100 points 200
5.	Matching & Leverage	50
6.	Municipal Equalization Fund (MEF) Score	100
7.	Achievements ( <i>Applicant may only earn points as an EDCC or LCC, not both.</i> )	75
<b>Total points</b>		<b>Minimum Threshold: 400 points</b> <b>1025</b>

### Phase II (Implementation)

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department describing 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 Category are only reserved for those communities previously selected for Phase I resources.

**Applicants must clearly identify how any proposed activities relate to the Phase I predevelopment study and those within Year 1.** There are two “options” for applying for an award under Year 2:

**Option A – where activities are continuation of those approved and included in the Year 1 contract.** The Year 1 application may be updated for the activities and accomplishments undertaken and underway as it relates to those continued activities proposed for Year 2. Applicants must clearly identify how any proposed activities relate to the Phase I predevelopment study and those within Year 1.

**Option B – where activities are expanded beyond those approved in Year 1** with the additional caveat that housing activities are not allowed under Year 2 unless they were incorporated in Year 1 or a clear case is made for their inclusion, including demonstration of capacity. The Year 2 application must also include additional information regarding the newly proposed activities and their relationship to those activities and accomplishments undertaken and underway as a part of Year 1.

The Matrix below describes each selection criteria as a numerical score within the CD Category for Phase II (Implementation). A minimum score of 350 points is required and each criteria require a minimum score as noted below. On-Site Review does not yield points independent of the Application and is not a required part of the application process, but may be completed at the Department’s discretion based upon activities proposed, risk analysis considerations, or other such factors.

Selection Criteria Matrix – CDBG CD Category: Phase II Implementation		
Item	Criteria	Points Possible
1.	Project Design	Threshold: 150 points 300
2.	Project Readiness	Threshold: 100 points 200
3.	Community Support	Threshold: 100 points 200
<b>Total points</b>		<b>Minimum Threshold: 350 points</b> <b>700</b>
4.	On-Site Review (Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.)	

For more information about on-site reviews, and for a detailed list and full description of each of selection criteria, see *Section 5.03* of the Application Guidelines.

For the current program year, priority is given to activities that meet the primary national objective of benefiting low- and moderate-income persons. DED expects a higher degree of allowance for the SBA national objective in future program years, however, benefit to low- and moderate-income persons is always the primary national objective for all funding categories.

Additional information regarding threshold requirements and eligible activities can be found within the Appendix, and also within the Comprehensive Development Program Application Guidelines, found at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

Complete information regarding the application criteria are available within the CD Category Application Guidelines. These 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

It is anticipated that \$2,250,000 in CDBG funds will be made available to be utilized for CD Phase II (Implementation). Total distribution includes \$2,000,000 of 2018 CDBG Allocation and \$250,000 prior year resources, for a total of \$2,250,000 made available.

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

Threshold Factors Description:

A minimum score of 400 threshold points is required in order for a CD Phase I Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG CD Category Table.

A minimum score of 350 threshold points is required in order for a CD Phase II Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG CD Category Table.

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
- 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.)

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk,



Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II.

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG National Objective of benefit to low-moderate income persons (LMI) as a threshold for review and funding consideration.

The priority for all activities proposed in applications for CDBG funding in the CD Category is to meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, or LMI Housing). A project or project activity that fails to meet of the LMI national objective is ineligible.

Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines.

**Grant Size Limits Information:**

The maximum grant amount for CD activities will be \$30,000 for Phase I (Predevelopment) and \$780,000 for Phase II (Implementation) with \$350,000 available during the first year of implementation funding and \$430,000 for the second year of funding, exclusive of supporting project and general administrative costs. Funding in year one of Phase II does not reserve or otherwise guarantee funding in year two. For the current program year anticipated allocations by category see the Annual Action Plan, available for download at <https://opportunity.nebraska.gov/grow-your-community/reports-plans>.

Funding Phase	CDBG Maximum Project Costs
Phase I – Predevelopment	
Program Year 2016	\$30,000
Phase II – Implementation	
Year 1 – Program Year 2017	\$350,000
Year 2 – Program Year 2018	\$430,000
<b>Maximum Total CDBG Investment</b>	<b>\$810,000</b>

**DED gives priority to projects meeting a LMI National Objective.** For more information, see *Section 2.01* of the Application Guidelines.

Comprehensive Development Category – Key Maximums and Requirements	
Phase I Predevelopment – Program Year 2016	\$30,000
General Administration	10% of Project Costs not to exceed \$3,000
Local matching funds	25% of Project Costs
Leveraged funds	25% of Project Costs
<b>Phase II Implementation</b>	
Phase II Implementation	\$780,000
Year 1 – Program Year 2017	\$350,000*
Year 2 – Program Year 2018	\$430,000*
General Administration	10% of Project Costs not to exceed \$35,000
Housing Management	10% of housing activity costs not to exceed \$35,000
Construction Management	\$10,000
Local matching funds	25% of Project Costs
Leveraged funds	25% of Project Costs**

Maximum CDBG Investment in Phase II Year 1 was \$350,000 inclusive of Supporting Project Costs and Administration costs. Phase II Year 2 allows for a maximum of \$430,000 in Project Costs, thereby significantly increasing the amount of CDBG investment in this current program year.

For more information about the summary information provided, see *Sections 4.01 and 4.02* of the CDBG CD Application Guidelines.

The cost per resident beneficiary for infrastructure (i.e. eligible activities under the Public Works category) cannot exceed \$3,000, except for daycare centers where it cannot exceed \$10,000.

For all project costs, Phase I and Phase II require a 25% match and 25% leverage. Alternatively, applicants may choose to invest 50% match and no leverage. Notably, the inversion of that is not allowable. With the exception of General Administration (0181), Construction Management (0380), and Housing Management (0580) activities, see local cost-share requirements in Table 4.02A.

Phase I project costs are those not associated with administrative activities. For Phase II, project costs are those not associated with supporting project (Construction Management and Housing Management) or general administrative costs.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of either match or leveraged funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions.

CD Matching and Leverage Funds Requirements		
Funding Phase	Match	Leverage
Phase I – Predevelopment	25%	25%
Phase II – Implementation	25%	25%
	or	
	50%	0%

Leverage amounts are met during the project duration (i.e. CDBG Contract Time of Performance) and should not be carried into the next local government fiscal year for a CDBG project to be completed. In other words, contract **extensions should not be necessary to meet local cost-share requirements**. This becomes a capacity issue as it relates to Risk Analysis especially when offering two years of funding under the CD category. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same target area or directly benefitting a substantial majority of the LMI persons or families residing within the target area during the grant award period.

Consideration for match and leverage will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. However, the local cost-share funded activities may benefit the overall comprehensive development of the target area that may not be specific to the project activities proposed for CDBG funding. For example, where the application proposes housing rehabilitation, local matching funds could be injected into a sidewalk or sewer system improvement. Such improvements would ideally be within the same neighborhood (target area) as the CDBG-funded activities, but could be adjacent or otherwise benefit low- and moderate-income persons. Activities benefiting from matching or leveraged funds, not specific to the CDBG-funded project activities, shall be thoroughly described in the application and may be further negotiated as a part of the contract special conditions.

*ANY FUTURE CD CATEGORY CYCLES (PHASE I & II) WILL REQUIRE AN OVERALL COST-SHARE AS DESCRIBED UNDER THE PHASE II LOCAL COST-SHARE EXAMPLE SHOWN IN TABLES 4.02C-E of the CDBG CD Application Guidelines and as described below.*

#### CD Category Phase II Implementation

*Under Phase II Implementation, the applicant is allowed 10% of the CDBG award for General Administration, not to exceed \$35,000. If applicable to the project’s scope, Housing Management activity cannot exceed 10% of the grantee’s total award for housing activities, not to exceed \$35,000. Up to \$10,000 can be used for Construction Management. General Administration, Construction Management, and Housing Management do not require any matching funds.*

Only up to 25% of each community’s award can be used for activities eligible for assistance under the DTR Category; provided such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low- and moderate-income residents of the community. If the CD grantee is awarded funds within the DTR Category, 0% of the CD award may be used for activities eligible for assistance under the DTR except for housing activities.

Grantees with open Comprehensive Development (CD) Phase II awards cannot apply within the Public Works or Water/Wastewater Program Categories.

CD Category Phase II Implementation local-cost share example

All project cost activities funded with CD resources require a minimum cost-share. There are two options, the first requires local match and leverage of at least 25% of total CDBG project activity costs, respectively. Alternatively, the applicant may commit 50% in matching funds and no leverage. (The inverse is not allowable.) Proposed local cost-share should be from CDBG eligible activities directly related to the proposed project. General administration, Housing Management, and Construction Management activities do not require local cost-share.

Where the applicant commits match and leverage, a minimum 25% match and 25% leverage is required for project activities. For example, a project receiving the maximum allowable \$430,000 in project costs in would require \$107,500 in match and leverage respectively (see Table 4.02). Alternatively, the applicant may elect to provide \$215,000 in match (and no leverage). It is not allowable to commit less than 25% match.

CD Phase II Implementation local cost-share example – Infrastructure project						
(A)	(B)	(C)	(D)	(E)		(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*	Total CDBG Costs  [A+B+C]	Local cost-share		1000 Total Amount  [D+E]
0070 Public Facilities				Match [A*25%]	Leverage [A*25%]	
\$430,000	\$10,000	\$35,000	\$475,000	\$107,500	\$107,500	\$690,000

\*General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed \$35,000 overall.

CD Phase II Implementation local cost-share example – Housing project						
(A)	(B)	(C)	(D)	(E)		(F)
Project Activity Costs	0580 Housing Mgmt.†	0181 General Admin.*	Total CDBG Costs  [A+B+C]	Local cost-share		1000 Total Amount  [D+E]
0530 SF Housing Rehab.				Match [A*25%]	Leverage [A*25%]	
\$430,000	\$35,000	\$35,000	\$500,000	\$107,500	\$107,500	\$715,000

\*General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed \$35,000 overall.

† Housing Management cannot exceed 10% of housing activities, not to exceed \$35,000 overall.

CD Phase II Implementation local cost-share example – Infrastructure and Housing project								
(A)		(B)		(C)	(D)	(E)		(F)
Project Activity Costs		Supporting Project Costs		0181 General Admin.*	Total CDBG Costs	Local cost-share		1000 Total Amount
0531 SF Housing PRR	0490 Arch. Barrier Removal	0580 Housing Mgmt.†	0380 Const. Mgmt. (\$10k MAX)			Match	Leverage	
\$350,000	\$80,000				[A+B+C]	[A*25%]	[A*25%]	[D+E]
\$430,000		\$35,000	\$3,000	\$35,000	\$503,000	\$107,500	\$107,500	\$718,000

\*General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed \$35,000 overall.

† Housing Management cannot exceed 10% of housing activities, not to exceed \$35,000 overall.

Program income for the State's CDBG program is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG award will be governed by the policies written in the Department’s *Annual Action Plan* and the (5-year) *Consolidated Plan* section “Program Income”. Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 “Program Income”. Lastly, Program Income (and Re-Use Plans) are addressed within your CDBG Contract (per project).

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.

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

Additional comprehensive development efforts, particularly those targeted towards residential neighborhoods will improve and revitalize neighborhoods within 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 for downtown revitalization projects. The purpose of the Downtown Revitalization Category is to foster investments that will contribute to the revitalization or redevelopment of downtown infrastructure and develop a greater capacity for growth, addressing health and safety concerns and commercial revitalization within the traditional business centers of our Nebraska communities. This provides a sound basis for fostering local economic development through public and private sector partnerships. 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. These projects directly relate to business retention, expansion, and location decisions, recognizing that downtowns reflect the economic core and persona of our communities.

Activities assist communities to implementation of comprehensive downtown revitalization plan in order to stabilize and enhance clearly defined downtown areas, providing benefit to low- and moderate-income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

DTR resources are for implementation of the project (i.e. physical improvements to the built environment); such funds become available to the applicant upon successful completion of the requirements of a downtown revitalization predevelopment/planning study. Because responsible, intelligent implementation arises from well-informed planning processes, applicant must make available their DTR study prior to, or along with the application for DTR resources. Applicants interested in applying for the predevelopment/planning phase do so by applying within the CDBG Planning Category cycles. Use of CDBG resources for planning activities is not required to access DTR resources.

The maximum grant amount for downtown revitalization activities will be \$400,000, exclusive of supporting project and administrative costs. For the maximum grant amount for pre-development studies and for more information, see Chapter 6 – Planning. For the current program year, activities must meet the primary national objective of benefiting low- and moderate-income persons. Project activities meeting the national objective aiding in prevention or elimination of slums and blight in either an area (SBA) or spot basis (SBS) are not fundable/allowable under this 2018 program year. DED expects allowance for this national objective in future program years. Benefit to low- and moderate-income persons is the primary national objective for all funding categories.

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

Applicants meeting required thresholds are scored based on their capacity to describe the challenges and opportunities within the service area and describe how the proposed project addresses identified community development and/or housing needs. Applicants provide specific information about the issues and/or problems addressed by the project, line item budget, preliminary schedule, and how the project fulfills the selected National Objective.

Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines.

The review team utilizes the project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. IMPORTANT NOTE: attachments should supplement and not be considered as a replacement for narrative.

The Matrix below summarizes each selection criteria as a numerical score within the DTR Category. The maximum number of points available within any application is 925 points. A minimum score of 350 points is required and some criteria require a minimum score as noted below. For each Application, the review committee scores all selection criteria in five-point increments and on a scale as compared to other Applicants. Preference given to project proposals that demonstrate a comprehensive approach. Priority given to projects that benefit low- and moderate-income persons.

Selection Criteria Detailed Matrix – CDBG DTR Category		
Item	Criteria	Points Possible
1. Project Design	<i>Threshold: 150 points</i>	300
	Overall Purpose of Project/Identification of Need)	125
	Project Impact	125
	Past Efforts to Resolve the Problem	50
2. Project Readiness	<i>Threshold: 100 points</i>	200
3. Business & Community Support	<i>Threshold: 100 points</i>	200
4. Matching Funds		50
5. Municipal Equalization Fund (MEF) Score		100
6. Achievements ( <i>Applicant may only earn points as an EDCC or LCC, not both.</i> )		75
	Economic Development Certified Community (EDCC)	50
	DED Leadership Certified Community (LCC)	50
	Organizational preparedness	25
<b>Total points</b>	<i>Minimum Threshold: 350 points</i>	<b>925 points</b>
7. On-Site Review ( <i>Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.</i> )		

**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 Downtown Revitalization Program 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>



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

It is anticipated that \$2,250,010 in CDBG funds will be made available to be utilized for Downtown Revitalization category eligible activities. Total distribution includes \$1,750,000 of 2018 CDBG Allocation and \$500,010 prior year resources, for a total of \$2,250,010 made available.

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

Threshold Factors Description

A minimum score of 350 threshold points is required in order for a DTR Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG DTR Category Table.

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
- 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.)

**Eligible Applicants:**

Except as provided in *Section 1.03* of the Application Guidelines, Eligible Applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). Eligible units of general local government may apply individually for DTR activities.

*DTR resources are only available for communities that can demonstrate and provide a completed a pre-development planning study for downtown revitalization.* This includes, but is not limited to, “DTR Phase I” applicants from prior program years as well those that successfully completed downtown revitalization planning studies with or without the use of CDBG resources. This is a competitive program. See the “Fundability Threshold Requirements” and *Section 5.01* for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01* and *1.03* of the Application Guidelines.

#### Eligible Activities:

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 and Public Works program categories.

DTR project activities must be primarily located in the downtown area (i.e. central business district, downtown redevelopment district, etc.) of the applicant community, but may include limited adjacent areas that provide access to the downtown. The proposed activities may be broad in nature and should include both public and private activities.

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG National Objective of benefit to low-moderate income persons (LMI) as a threshold for review and funding consideration.

All activities proposed in applications for CDBG funding in the DTR 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. A project or project activity that fails to meet one of these specified national objectives is ineligible.

Additional information regarding threshold requirements and eligible activities can be found within the Appendix: <https://opportunity.nebraska.gov/grow-your-community/reports-plans> and also within the DTR Program Application Guidelines at <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

#### Grant Size Limits Information:

The maximum grant amount for downtown revitalization project activities will be \$400,000, exclusive of supporting project and administrative costs. All costs for 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 DTR project costs less costs associated with General Administration, Housing Management, and Construction Management.

Proposed match must be from CDBG-eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period.

Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. However, the local match may be used for projects that demonstrate benefit to the overall downtown revitalization that may not be specific to the project activities proposed for CDBG funding. The amount of match must be calculated in dollars. General Administration and Construction Management activities do not require any matching funds.

The total DTR maximum grant amount equals \$445,000, which includes the maximum of \$400,000 for project activities, a maximum \$35,000 for general administration activity, and a maximum of \$10,000 for construction management activity. The Housing Management activity cannot exceed 10% of housing activity project costs or \$35,000 whichever is less.

As it relates to Davis Bacon and Related Acts (DBRA) compliance, Recipients of DTR resources are not required to use any of their award for General Administration, Housing Management, or Construction Management.

DTR Category – Key maximums and requirements	
Single Community – Implementation Project Costs	\$400,000
Local matching funds	25% of Project Costs
General Administration	10% of Project Costs not to exceed \$35,000
Housing Management	10% of Housing Activity Costs not to exceed \$35,000
Construction Management	\$10,000

For the maximum grant amount for pre-development studies and for more information, see Chapter 6 – Planning of the 2018 CDBG Application Guidelines.

All project cost activities funded with DTR resources require a 25% match. Project costs are those not associated with supporting project or general administrative costs. **Leverage is not required under the DTR category.** Recipients of DTR resources are not required to use any of their award for General Administration, nor for either Construction Management or Housing Management.

Proposed match must be from CDBG eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. Best practice is to match DTR-funded activities.

DTR Matching and Leverage Funds Requirements		
Funding Phase	Match	Leverage
DTR Implementation	25%	0%

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions.

The local cost-share funded activities may benefit the overall downtown revitalization effort while not being specific to the project activities proposed for CDBG funding. For example, where the application proposes housing rehabilitation, a grantee may inject local matching funds into a sidewalk or sewer system improvement. Such improvements would ideally be within the downtown area and in proximity of the CDBG funded activities, but could be adjacent to or otherwise benefit low- and moderate-income persons. Best practice is to match DTR-funded activities. Activities benefiting from matching or leveraged funds, not specific to the CDBG-funded project activities, shall be thoroughly described in the application and may be further negotiated as a part of the contract special conditions.

Proposed local cost-share should be from CDBG eligible activities directly related to the proposed project. General administration, Housing Management, and Construction Management activities do not require local cost-share. A project receiving the maximum allowable \$400,000 in project costs would require \$100,000 in match (see the table below).

DTR Implementation local cost-share example*						
(A)	(B)	(C)	(D)	(E)		(F)
Maximum Project Activity Costs	0380 Construction Management (\$10k MAX)	0181 General Administration	Total CDBG Costs [A+B+C]	Local cost-share		1000 Total Amount [D+E]
		[A*10%]		Match	Leverage	
\$400,000	\$10,000	\$35,000	\$445,000	\$100,000	\$0 <i>(not required)</i>	\$545,000

\*Does not include Housing Management costs. For an example, see Section 4.02 of Chapter 2 – Comprehensive Development of the CDBG Application Guidelines.

† General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed \$35,000 overall.

For more information, see Sections 4.02 and 6.03 of the CDBG Application Guidelines.

Program income for the State's CDBG program is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG award will be governed by the policies written in the Department's *Annual Action Plan* and the (5-year) *Consolidated Plan* section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 "Program Income". Program Income (and Re-Use Plans) are addressed within your CDBG Contract (per project). Please also refer to the 2018 CDBG DTR Application Guidelines for more information on Program Income and the DTR Category.

DTR applicants are not required to obtain designation as neither an Economic Development Certified Community nor a Leadership Certified Community. Participation in these programs is encouraged as several of the required programmatic processes provide innumerable benefits to a community, enhancing DTR applications directly and indirectly through the effort undertaken to become certified.

**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 accessibility, viability, and sustainability of downtown areas.

## **STATE PROGRAM NAME: Economic Development (ED)**

**Funding Sources:** CDBG funds and CDBG State RLF

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

Within the Economic Development Priority Need, CDBG funds will be utilized for economic development projects. The objective of the Nebraska Department of Economic Development 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-to-moderate (LMI) income levels. CDBG is a funding source from the U.S. Department of Housing and Urban Development (HUD). The federal statutory authority for the CDBG program is the Housing and Community Development Act of 1974, as amended (HCDA), codified at 42 U.S.C. §5301 et seq.

CDBG funds will be utilized within the Economic Development Priority Need by a local unit of government 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 CDBG National Objective criteria.

Program income for the state's program under the CDBG ED category is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG ED award will be governed by the policies written in the Department's Annual Action Plan and the (5-year) Consolidated Plan section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 "Program Income".

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.

### **Describe all of the criteria that will be used to select applications and the relative importance of these 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 premised on the infrastructure improvements and agrees to create jobs for LMI persons

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; and Economic Development Certified Community. 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.

Full applications are scored with pre-set categorical criterion as noted below. A scoring team will review the applications independently and then prepare a consensus tabulation together using each team member's initial score results and input.

The Matrix below describes each selection criteria as a numerical score within the ED Category. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required and some criteria require a minimum score as noted below. All selection criteria is scored on a scale.

<b>Selection Criteria Detailed Matrix – CDBG ED Category Table</b>		
<b>Selection Criteria</b>	<b>Maximum</b>	<b>Threshold Minimum</b>
Project Criteria	35	-
Community Impact and Investment	30	-
Business Factors	40	-
Achievements: Economic Development Certified/Leadership Community	5	-
<b>Total:</b>	<b>110 points</b>	<b>25 points</b>

This information provided is a summary. Additional information will be available within the Appendix <https://opportunity.nebraska.gov/grow-your-community/reports-plans> and within the Economic Development Program Application Guidelines at <https://opportunity.nebraska.gov/program/community-development-block-grant/#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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

An anticipated \$2,000,000 in CDBG funds will be made available to be utilized for the ED Program Category. Total distribution includes \$1,100,000 of 2018 CDBG Allocation and \$900,000 prior year resources, for a total of \$2,000,000 made available. In addition, no more than 40% of the CDBG State RLF will be made available to fund non-infrastructure activities within the CDBG ED Category. See the Annual Action Plan Appendix, Final 2018 Estimated Categorical Distribution.

The CDBG allocation may be designated for economic development infrastructure activities/projects. Other CDBG activities/projects will be funded from the CDBG State RLF.

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

**Threshold Factors Description**

A minimum score of 25 threshold points is required in order for an ED Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG ED Category Table.

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 (LMI) 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
- 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.)



## Eligible Applicants

Eligible applicants include any Nebraska incorporated municipality under 50,000 population; and every Nebraska county.

- An eligible municipality may apply only for project activities within its jurisdictional control (as defined below).
- An eligible county may apply only for project activities:
  - within its jurisdictional control (as defined below), and
  - which are in unincorporated areas of the county;
  - provided however, that project activities occurring at a site of public facilities owned or controlled by the county, even though within an incorporated area of the county, may be applied for (by the county).
- In this context, jurisdictional control means: property within corporate boundaries; property within zoning jurisdiction boundaries; property outside such boundaries which was acquired (through purchase or donation) prior to project activity implementation; and property controlled through permanent easements or other similar permanent land use/access control mechanisms.
- These jurisdictional control limitations and definitions are established by the Department under the Department's CDBG ED program, not by HUD CDBG regulations. Consequently, in circumstances deemed appropriate by the Department, exceptions to these requirements may be allowed.

## Additional Threshold Criteria for the ED Program Category:

For a business to be eligible to be a benefited business, that business must:

- Meet the definition of essential business. An essential business is one that provides goods or services needed by, and affordable to low-and moderate-income residents;
- or**
- Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations 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/Warehousing
  - Transportation

- Headquarters (administrative)
- Data Centers
- Scientific Testing
- 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)

**Also**, meet any additional eligibility criteria and not be ineligible by reason of the exclusions in these guidelines, including:

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$10.50 per hour, as well as provide appropriate employee benefits, for the duration of the project job maintenance period. This maintenance 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 aquaculture 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 clear objective of the Housing and Community Development Act of 1974 and the associated subsequent statutory amendments is that CDBG expenditure is focused on activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG national objectives as a threshold for review and funding consideration.

In Program Year 2018, all activities proposed in applications for CDBG funding in the ED Program Category must meet the national objectives of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, LMJ Job Creation/Retention). A project or project activity that fails to meet the national objectives is ineligible.

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 (<http://opportunity.nebraska.gov/community/community-info/documentslibrary-a-forms/annual-action-plan>). Additional information will also be available with the Economic Development Application Guidelines.

CDBG awards are limited to a maximum of \$35,000 per FTE job created or retained. There are incentives (in scoring the project) for awards that are less than the maximum. If the project activity provides goods or services, the amount of CDBG funds allowed for that activity cannot exceed \$1,000 per LMI person served, but must be at minimum \$350 per LMI person served. These limits are known as the Public Benefit Standard and are part of the federal limitations described in 24 CFR 570.482(f).

**Grant Size Limits Information:**

The maximum amount for ED activities is \$1,000,000, exclusive of supporting project and general administrative costs.

General Administration include includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports, and drawdowns. Matching funds are not required. Up to \$10,000 can be used for general administration.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds can be used under Activity 0380. **Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.**

Recipients of ED resources are not required to use any of their award for General Administration and/or Construction Management.

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.

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. The exceptions to this matching requirement are CDBG funding for general administration of project activities and funding for Construction Management activities – these do not require matching funds. Note that the matching requirement for public facilities (infrastructure) projects undertaken for economic development purposes (a particular form of CDBG assistance discussed later in these guidelines) cannot be met using the benefited business' investment, e.g., the construction of a new

plant, but rather must come directly from the applicant community, and the matching funds must be invested in the infrastructure project.

Program income for the state's program under the CDBG ED category is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG ED award will be governed by the policies written in the Department's Annual Action Plan and the (5-year) Consolidated Plan section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 "Program Income".

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.

*Program Income – Definition:*

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.

All program income is and remains subject to all requirements of the HCDA and CDBG regulations. Program income which may become a part of a Department approved community CDBG revolving loan fund remains subject to all requirements of the HCDA and CDBG regulations. This means all loans made from such a fund, including second and subsequent generation loans, are, and continue to be, subject to all CDBG requirements. 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;
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;
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;
8. Interest earned on funds held in a revolving loan fund's cash balance interest-bearing account;
9. 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
10. 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.

*Program Income – Same Business/Same Activity Rules:*

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 (see below), 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, with new program income that may be deposited into an existing Local ED Revolving Loan Fund; a new Local ED Revolving Loan Fund; or who may be utilizing the NDO process, *continuing the same project activity will include providing assistance to the same business for the same activity for which it was originally funded.*

*Economic Development Program Income Options:*

The unit of general local government (also known as the local government or “UGLG”) has the following options for utilizing CDBG program income that a 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.

Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations. Of these options, the Department prefers and encourages UGLGs to utilize the NDO process

first, and if not available, then to return the program income funds to DED (due to the complex nature of administering the funds). *If the local government wants to keep the program income (in conjunction with the Revolving Loan Fund options), be aware that the “same activity, same business” rules make re-use of the funds problematic and difficult.* These options are explored more fully in the section “Program Income” Chapter 8 of the *Nebraska Community Development Block Grant Program Administration Manual*.

*Program Income – Administrative Costs and Required Use of Certified Administrator:*

Economic Development Revolving Loan Funds must be administered by a Certified Administrator.

Local governments can charge (expense) up to 5% of program income received during a time period for general administration, provided the local government documents its administrative expenses (with receipts, timecards for payroll allocation, etc.).

*Program Income -- Utilizing the NDO process:*

A unit of general local government may seek to form a sub-grantee relationship with a local (or regional) 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/regional economic development corporation. The NDO must be recognized by the State (through an application and approval process) according to the requirements of 24 CFR 570.204 to carry out 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 NDO process includes, but is not limited to, the following:

- The local government, which is a recipient or grantee of State CDBG funds, wishes to make 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 and sub-grants the funds to the NDO, which executes the loan agreement for the CDBG funds loaned to the for-profit business.
- 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/approval) process. The approved NDO Reuse Plan must ensure that activities funded by the RLF meet broad based economic development objectives. The funds repaid to the NDO to continue economic development activities would not be considered program income. The NDO, the local or regional 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 NDO reinvests in the community through its established RLF, which can fund additional loans in the service area of the NDO.

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 provided that the business meets the national objective requirements. 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.

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 that 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 (including Construction Management activities) and carrying out CDBG activities on behalf of the local government grantee are two separate activities.

*Program Income – The NDO Process and “De-federalizing” the Funds:*

If the benefited business repays the loan to the NDO and achieves the national objective, the funds are no longer subject to the Federal CDBG requirements, but are considered to be “de-federalized”. Subsequent re-use of the “de-federalized” funds by the NDO are not subject to continuing CDBG restrictions, but are instead allowed to be used in accordance with the approved NDO Re-Use Plan. The funds in this case, after repayment to the NDO, are no longer considered to be Program Income, and thus are not subject to the requirements of the HCDA and CDBG regulations. This process also allows for the funds to be re-used within the NDO's service area (which represents a larger region).

More information about NDOs, including a list of the approved NDOs in Nebraska, can be found on the DED website.

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

Through the ED Category, additional jobs will be created or retained throughout the state, which will create additional opportunities for Nebraskans, particularly those who are low and moderate income persons.

## **STATE PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Operating 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 operating funds throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs) under the Nebraska Affordable Housing Program application criteria. An organization receiving funds under the CHDO Operating Cycle, cannot also receive a grant under the CHDO Activity set-aside.

### **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 Certification/Recertification 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 Operations Program will be implemented by the HOME Investment Partnership (HOME) Program within DED. The HOME Program will utilize a separate application cycle titled the "CHDO Operating Cycle." HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked for all eligible applications. The highest scoring two applications will be recommended for award, with a grant maximum of \$50,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year (this also includes organizational support and housing education provided under section 233(b)(1) and



(2) of the Act, as well as funds for operating expenses provided under §92.208(a)). The application deadline will be September 28, 2018.

If awarded a CHDO Operating grant, the CHDO organization will be expected to have the capacity to have a CHDO Project within 24 months from receiving the CHDO Operating grant.

Applications will have to score at least 200 total points on the application to be funded during the 2018 HOME CHDO Operating Cycle.

Below is the Scoring Criteria Matrix that will be utilized within the HOME CHDO Operating Category for applications.

<b>SELECTION CRITERIA MATRIX</b>	
<b>Criteria</b>	<b>Points Possible</b>
Need/Impact	150
Collaboration	100
Capacity/Readiness	100
Financial Management	150
<b>Total Possible Points</b>	<b>500</b>

Complete application guideline information will be made available within the CHDO Operating 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:

<https://opportunity.nebraska.gov>

Overall, the information provided above is a summary of the criteria that will be utilized within the HOME CHDO Operating Cycle.

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

HOME resources in the amount of \$148,000, will be made available to be utilized for the CHDO Operating, with \$100,000 for CHDO Operating Application Cycle and \$48,000 available in the CHDO Activity Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked

for all eligible applications. The grant maximum of \$50,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a).

If there are not enough projects to fund in the HOME CHDO Operating category, funds may be moved to another HOME funding category to assure timely allocation of funds.

**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 Certification/Recertification guidelines. DED will certify/recertify 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 Certified/Recertified CHDOs will be selected through the HOME CHDO application process. The maximum amount of HOME funds available within the CHDO Operating Cycle will be \$100,000, with a grant maximum of \$50,000; and \$48,000 available in the CHDO Activity Application Cycle, with a grant maximum of \$16,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a).

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

The HOME CHDO Operating Program will aid organizations in developing a HOME CHDO eligible homebuyer activity to begin within 24 months.

## **STATE PROGRAM NAME: HOME Community Housing Development Organizations (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 homebuyer activities throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs) under the Nebraska Affordable Housing Program application criteria. An organization receiving funds under the CHDO Activity set-aside, cannot receive also receive a CHDO Operating Grant.

### **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 Certification/Recertification 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 HOME Investment Partnership (HOME) Program within DED. The HOME Program 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).

The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked for all eligible applications. The three highest scoring applications will be recommended for award, with a grant maximum of \$250,000, and organizational operating maximum of \$16,000. The application deadline will be September 28, 2018.

Applications will have to score at least 200 total points on the application to be funded during the 2018 HOME CHDO Cycle.

Below is the Scoring Criteria Matrix that will be utilized within the HOME CHDO Category for applications.

Selection Criteria Matrix	
Criteria	Points Possible
Need / Impact	75
Project Financing & Credit	125
Collaboration	50
Capacity / Readiness	125
Financial Management	125
Total Possible Points	500

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: <https://opportunity.nebraska.gov/program/home/>

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

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

HOME resources in the amount of \$750,000, will be made available to be utilized for the CHDO Program Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked for all eligible applications. The three highest scoring applications will be recommended for award, with a grant maximum of \$250,000, and organizational operating maximum of \$16,000.

If there are not enough projects to fund in the HOME CHDO project category, funds may be moved to another HOME funding category to assure timely allocation of funds.

**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 Certification/Recertification guidelines. DED will certify/recertify 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 Certified/Recertified CHDOs will be selected through the HOME CHDO application process. The maximum amount of HOME funds available within the CHDO Cycle will be \$750,000, with a grant maximum of \$250,000, and organizational operating maximum of \$16,000.

**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: <https://www.nifa.org/res-dev/application>

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: <https://www.nifa.org/res-dev/application>

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

The 2018 HOME resources available for the joint HOME rental program with the NIFA will have an estimate \$4,068,140 available for eligible projects. This includes \$2,731,679 from 2018 funding, leaving the remaining \$1,336,461 carryover from 2017. All applicants follow the application cycles and guidelines through NIFA's website found at: <https://www.nifa.org/res-dev/application>. All applicants will need to meet threshold requirements to be considered for funding. After determining that applicants meet threshold, the applications will be scored and ranked for eligible projects. Funding will begin with the highest ranked application and continue down the list until the HOME Funds have been fully awarded. In order to receive HOME Funding, the application needs to receive tax credits from the LIHTC program through NIFA.

If there are not enough projects to fund in the HOME Rental category, funds may be moved to another HOME funding category to assure timely allocation of funds.

**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: case management services with medical and self-sufficiency components; outreach to HIV+ homeless persons/families and homeless service providers; emergency rental/mortgage assistance; utility assistance; tenant-based rental assistance (TBRA); permanent housing placement (including first/last month's rent, security deposits, and rental application fees); housing information services and resource identification; and for the purchase of a case management software system utilizing HOPWA carryover funds from the previous year as well as Ryan White Part B monies. The case management software system will be utilized by both HOPWA and Ryan White Part B Program staff and the project sponsor. Some resource development monies will be put towards a Provider Survey addressing healthcare and housing, a joint effort amongst several programs within the DHHS Infectious Disease Unit.

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 (NHCP) which consists of HIV/AIDS medical providers, service providers, consumers, and other members of



the public. One of the members of the NHCP 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 was certified to train RentWise in May of 2016.

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).

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

Nebraska AIDS Project (NAP) is the only AIDS Service Organization in Nebraska that currently 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. Requirements of the contract with Nebraska AIDS Project include their ability to provide case management and supportive services to eligible HOPWA clients, to coordinate provision of assistance with state and local governments and other public and private organizations and agencies, to ensure confidentiality, to have

'affirmative outreach procedures' to ensure that all persons who qualify for assistance know of the program, to conduct ongoing programmatic and financial monitoring and maintain reporting requirements, and to have at least one employee obtain a certificate of completion of the 'Getting to Work' training curriculum, at least one obtain a certificate of completion of the 'HOPWA Oversight' training curriculum and at least one obtain a certificate of completion of the 'CPD Financial Management' training curriculum.

**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.**

\$463,773 in HOPWA funds and \$231,000 in prior year resources are estimated to be made available to be utilized with the 2018 Program Year for distribution. The majority of those resources will be awarded to the Nebraska AIDS Project, in order to administer the HOPWA Program. DHHS will adjust the estimated proposed allocation of HOPWA to match the actual allocation amounts from HUD. The budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

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 Nebraska AIDS Project (NAP).

**DHHS HOPWA FY2018**

Formula (State) Administrative-\$14,344  
Supportive Services-\$73,500  
Housing Information-\$75,500  
Resource Identification-\$16,000  
Short-term Rent/Mortgage-\$12,500  
Long-term Rent-\$23,500

**NAP HOPWA FY2018**

Formula Administrative AID-\$21,945.56  
Supportive Services AID-\$141,666  
Permanent Housing Placement AID-\$27,536  
Resource Identification AID-\$41,490  
Short-term Rent/Mortgage AID-\$104,618  
Long-term Rent AID-\$156,518

**HOPWA TOTAL: \$478,117 and \$231,000 prior year resources, for a total of \$709,117 total available, with \$694,773 distribution to eligible applicants (\$493,773.56 NAP services and \$201,000 DHHS services distribution from 2018 allocation and \$231,000 prior year resources) and \$14,344 for State Administration.**

**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: Housing Trust Fund (HTF)***

Funding Sources: HTF funds

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

Within the Housing Priority Need, HTF funds will be utilized for and made available to extremely low-income (ELI) persons on an area basis.

Eligible applicants may submit applications based on one of three application types that include: Nebraska will reserve a portion of the State's annual HTF allocation to affordable rental, multi-family projects in coordination with Nebraska Investment Finance Authority (NIFA) through the joint DED/NIFA application for low income housing tax credit applications within the LIHTC 9% application cycles. This allocation will be referred to as the "LIHTC 9% Set Aside". Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

Nebraska will allocate a portion of the State's annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred as the "Targeted Needs Set Aside". Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

Nebraska will allocate the remainder of HTF for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through 1) acquisition, rehabilitation, and resale of existing residential units or 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the "Permanent Housing Set Aside". Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

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

Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients.

Eligible Recipients include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations; and public housing authorities. In addition, to be eligible for HTF assistance, a recipient must:

1. Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
2. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
3. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
4. Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, and manage and operate an affordable multifamily rental housing development.

The Nebraska DED HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible.

Applicants will need to meet threshold criteria in order to be considered for funding. Applications will be scored on 70 points with equal consideration given to the following categories: Geographic Diversity; Ability to Obligate Funds; Timeliness; Project Based Rental Assistance ELI; Affordability Period; Priority Housing Needs; and Non-Federal Funding Sources.

The following selection criteria, all given equal consideration, will be used to evaluate HTF applications.

	HTF Criteria	Points Possible
1.	Geographic Diversity	10
2.	Ability to Obligate Funds	10
3.	Timeliness	10
4.	Project Based Rental Assistance ELI	10
5.	Affordability Period	10
6.	Priority Housing Needs	10
7.	Non-Federal Funding Sources	10
	Total Possible Points	70

Specific questions regarding the application criteria will be made available within the HTF Cycle Application Guidelines.

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

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

For the 2018 Program Year, \$2,700,000 of funding will be made available in this Program for project activities. In addition, there is \$4,539,486 prior year resources, allowing for \$7,239,486 HTF available during the 2018 Program Year for project activities.

1. Nebraska will reserve a portion of the State’s annual HTF allocation to affordable rental, multi-family projects in coordination with the Nebraska Investment Finance Authority’s (NIFA) joint DED/NIFA application for low income housing tax credit applications within the Low Income Housing Tax Credit (LIHTC) 9% application cycles. This allocation will be referred as the “LIHTC 9% Set Aside”.

For 2018, the amount available to multi-family projects in LIHTC 9% will be **\$639,486**.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of

available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”.

For 2018, the amount available for a HTF Special Needs project will be **\$2,100,000**.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

3. Nebraska will allocate the remainder of HTF funds for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through 1) acquisition, rehabilitation, and resale of existing residential units or 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside.”

For 2018, the amount available for permanent housing will be \$4,500,000 and include:

**\$1,500,000** within the Omaha Continuum of Care;

**\$1,500,000** within the Lincoln Continuum of Care; and

**\$1,500,000** within the Balance of State (BoS) Continuum of Care.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

The above mentioned amounts reflect the estimated allocation of \$2,700,000, the \$4,539,486 prior year resources, allowing for a total estimated amount of \$7,239,486 in HTF resources for project activities. The remaining \$300,000 in funds will be used by the State for planning and administration.

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

Eligible Recipients include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations; local units of government; and public housing authorities. In addition, to be eligible for HTF assistance, a recipient must meet the threshold items below:

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the 7 housing selection criteria, and includes the following information, unless waived by Nebraska DED for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and the applicant will be notified. Reasonable time will be given to the applicant to submit the missing information.

1. Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:
  - a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle.
  - b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
  - c. Applicants must comply in all respects with NDED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.

2. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
3. Demonstrate the financial feasibility of the project.
4. Certify that housing assisted with HTF funds will comply with HTF requirement.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.



HTF funding will be dependent on the type of program in which the applicant applies. For the LIHTC 9% Set Aside, up to \$639,486 in HTF funds can be accessed. For the Special Needs Set Aside up to \$2,100,000 in HTF may be accessed, and in the Permanent Housing Set Aside up to \$1,500,000 can be used within the Omaha CoC; \$1,500,000 in the Lincoln CoC; and \$1,500,000 within the Balance of State CoC. There is no maximum grant limit within the set amount per set-aside.

Other threshold factors include:

Maximum Per-unit Development Subsidy Amount

The State will adopt limits used in other federal programs and will utilize the current HOME maximum per unit subsidy limits. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements.

The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska. The current limits include a calculation based on the Section 234 Basic (Elevator type) Limit up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1. The HOME Maximum Per Unit Subsidy Limits for Nebraska can be found at: <http://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>

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

It is anticipated that housing units for ELI persons will be created and retained throughout the state and additional permanent supportive housing and special needs housing will be made available.

## **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.**

The allocation priorities, statewide funding and Homeless Services Priority Need, influences the methods of distribution for NHAP funding. 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 in Nebraska.

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

In an attempt to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle in 2003. The first year involves 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.

Grant year 2018-2019 is the 1<sup>st</sup> year of this two-year grant cycle, which is an open competition year. Renewing and new NHAP applicants will submit a full application which includes information on the applicant's experience, strategies for meeting federal program requirements, fiscal stability, performance outcomes from the previous year and narratives relating to the need of the program in their community, collaboration with other homeless providers, and projected outcomes for the individuals they plan to serve. Reviews teams then score based on the submitted information in comparison to the scoring criteria tool. Agencies that have not been funded through NHAP in the previous funding cycle will not be able to report out the full data requested in the NHAP application; however, the HMIS lead (CCFL) has been developing other types of performance reports to allow overview of performance measurement factors. One new report that is being utilized for FY18 is data on the percentage of individuals who have exited homeless programs to permanent housing and a breakdown on returns to homelessness at 6, 12, and 24 month time periods.

In addition, NHAP subrecipients are monitored for program compliance and fiscal management. NHAP conducts these monitors through quarterly fiscal reviews and on-site monitoring visits. Feedback from the monitors is shared with the subrecipients and any corrective actions are noted. NHAP is also collaborating with the monitoring agencies for the entitlement cities in Nebraska (Omaha & Lincoln) to share monitoring results to improve program outcomes for agencies where NHAP and HUD funding overlap. Applications and monitoring results are reviewed by an impartial review team each year for final funding determination.

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. 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. For 2018 funding, NHAP adjusted the formula due to significant changes in the pro rata amounts in some regions in order to provide adequate resources across the State of Nebraska.

**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 NHAP (ESG/HSATF) program is awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website and distributed to each regional CoC email list. Funding by geographic region is announced prior to the application process. Funding awards are based on input from the applicable CoC to ensure an inclusive array of services in the region and review of the applications received to meet service needs in each geographical region. The eligible applicants are units of general local government and individual non-profits, including faith-based organizations. As mentioned above, NHAP utilizes a two-year grant cycle alternating years between the acceptance of only renewal applications and acceptance of new and/or renewal applications.

**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, SO and ES services must be below \$565,284, which is 60 percent of the total ESG program funds PY2018.

In the event that the actual ESG allocation for the Nebraska BoS differs from the estimated allocation, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

<b>Service</b>	<b>Estimated ESG Funds</b>
Street Outreach (SO)	\$0
Emergency Shelter (ES)	\$255,111
<b>Maximum SO &amp; ES Subtotal (no more than 60% of Estimated Total Award)</b>	<b>\$255,111</b>
Homelessness Prevention	\$359,957
Rapid Re-housing	\$223,971
HMIS	\$32,439
<b>Services Subtotal</b>	<b>\$871,478</b>
Estimated Administration (7.5%)	\$116,577
<b>Total ESG Award</b>	<b>\$988,055</b>
	<b>Estimated ESG Funds</b>

- The Estimated Administration amounts include carry-over for the remaining amounts that were allocated for Administration from FY17 for use for the first part of FY18 for Admin costs as FY18 ESG funds were not available at the beginning of the FY. The remaining FY18 admin costs will be carried over to cover the first part of FY19.

**\*NOTE:** The Nebraska Homeless Assistance Program reserves \$75,000 annually of the Homeless Shelter Assistance Trust Funds to be distributed in the event of a natural disaster to assist individuals and families that are homeless and at risk of homeless due to the effects of the natural disaster within the State of Nebraska. Current NHAP funded agencies within any of the Nebraska Continuum of Care Regions that provide service coverage within areas for federally designated disaster zones may apply for the natural disaster relief funds. All activities requested to be funded must comply with the ESG program requirements identified in the Code of Federal Regulations Title 24 Part 576. In instances where natural disaster relief funds are not necessitated within the program year, the legislatively established set-aside funds of \$75,000 are reserved for the subsequent fiscal year to maintain the natural disaster relief fund. Any remaining funds are reallocated to NHAP program activities through the competitive application cycle.

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

At present, DHHS does not have grant limits for NHAP funds per subrecipient agency. However, because DHHS attempts to achieve equitable distribution of grant awards which are determined by available funds, identified service gaps and the number of requests, the NHAP review teams determine final funding based on the community needs and applicant performance measures.

**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, utilizing last year's data, NHAP anticipates that 452 households will be assisted with tenant-based rental assistance/rapid rehousing; 7,224 homeless persons will be assisted with overnight shelter; and 1,483 persons will be assisted with homelessness prevention. However, in the current application cycle for the program period covering 7/1/18 through 6/30/19, NHAP has encouraged the expansion of Rapid Rehousing programs to efficiently move individuals from homeless into permanent housing programs. NHAP requires all subrecipients to comply with the Coordinated Entry system to prioritize those individuals with the highest needs to appropriate housing programs. Subrecipient agencies will be monitored for adherence to the Housing First model and use of the Coordinated Entry system. With these parameters, it is expected that agencies will request additional funding for the Rapid Rehousing service which will result in a higher number of individuals served through this type of service with a continued reduction in the allocations for emergency shelter.

## **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 for planning projects. The purpose of the Planning category is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

Successful efforts shall involve strategic planning, implementation, monitoring, and evaluation. The outcome of a successful planning process will ultimately provide information and data that will be used in future planning and implementation efforts. Successful projects arise from effective efforts to involve stakeholders and gain their support throughout the process.

The maximum grant amount will be \$40,000 per community or unincorporated county or \$60,000 for multi-community, countywide, or regional planning projects, exclusive of general administration. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category.

During Program Year 2018, Planning activities must meet the LMI national objective through benefitting low and moderate-income persons (including on an area basis (LMA), housing (LMH), or serving a limited clientele (LMC).

Applicants seeking CDBG funds for downtown revitalization *planning* activities will now apply under the Planning category. In 2018, pre-development planning projects must meet the CDBG National Objective of benefitting low to moderate (LMI) income persons in order to receive CDBG funding.

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.

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

Eligible applicants may submit a Planning application by the required due date. Planning applications will be reviewed using the below Selection Criteria Detailed Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded CDBG funds for Planning.

Review and scoring of project applications will be prioritized and preference given to those projects that apply and incorporate a comprehensive strategic approach. A comprehensive strategic approach is one that effectively utilizes community needs assessments, stakeholder participation, and planning processes. A comprehensive approach should include significant needs identification, adopted or updated Comprehensive Plan, housing study, and capital improvement plan.

Overall, projects that lead to a significant and sustained impact on the community are likely to score highly. These projects will address the long-term comprehensive vision for the community and not just focus on a singular problem that might be addressed for the short-term (single-purpose project).

Applicants are required to submit a project description identifying the nature and scope of the project, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** attachments should supplement and not be considered as a replacement for narrative.

The Matrix below describes each selection criteria as a numerical score for the Planning application. The maximum number of points available within any application is 1,050 points. A minimum score of 480 points is required and some criteria require a minimum score as noted below. For each Application, the review committee scores all selection criteria in five-point increments and on a scale as compared to other Applicants. Preference is given to project proposals that demonstrate a comprehensive approach. Priority is given to projects that benefit low- and moderate-income persons.

Selection Criteria Detailed Matrix – CDBG Planning (PP) Category		
Item	Criteria	Points Possible
1. Project Need ( <i>threshold: 150 pts</i> )		250
	Overall Purpose of Project	100
	Capacity and commitment	75
	Past efforts to resolve the problem	75
2. Project Impact ( <i>threshold: 150 pts</i> )		250
	Goals and objectives	100
	Community, especially LMI benefit	75
	Accomplishment in measurable units	25
	Alternatives considered	25
	Formal study recommendation	25
3. Project Readiness – Local Effort ( <i>threshold: 150</i> )		250
	Planning activities and methodology	125
	Community involvement/stakeholder support ( <i>DTR pre-development Phase I studies should include business support</i> )	125
4. Match		50
5. National Objective (LMI Benefit)		50
6. Municipal Equalization Fund (MEF) Score		100
1. Healthy Community Design		50
8. Achievements: Sustainability ( <i>no threshold</i> )		50
	Energy efficiency	
	Reduce inefficiencies	
	Environmental stewardship	
<b>Total (<i>minimum threshold 480 pts</i>)</b>		<b>1,050</b>

For more information on selection criteria for the PP Program Category, please see Section 5.03 of the 2018 CDBG PP Application Guidelines at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#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 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

\$350,000 in CDBG resources will be made available to be utilized for the CDBG Planning Category. Total distribution includes \$350,000 of 2018 CDBG Allocation and no prior year resources.

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

Threshold Factors Description:

A minimum score of 480 threshold points is required in order for a PP Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG PP Category Table.

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
- 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.)

**Eligible Applicants**

Except as provided in *Section 1.03*, eligible applicants include every Nebraska county or incorporated municipality with a population of less than 50,000 and are not classified as a CDBG Entitlement Community (Omaha, Lincoln, Bellevue, and Grand Island)

Eligible applicants may submit one of two types of applications:

1. **Individual:** Except as provided in *Section 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 apply together for projects when it can be clearly documented that mutual action by the applicants is required. 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.

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.

Eligible Activities:

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.”

Activities eligible for assistance under the state’s CDBG program are only those authorized in Section 105(a) of the amended 1974 HCD Act. The general rule is that any activity listed in Section 105(a) may be funded in whole or in part with CDBG funds. Below is a partial list of activities from 24 CFR 520.205 (a). Communities should be aware that although an activity may be legally eligible under Federal statute and HUD regulations, it may not be competitive under the guidelines and ranking system in the Nebraska CDBG Program. Restrictions are identified in *Section 3.02*.

NOTE: The planning project activity must meet the national objective for benefit to LMI persons.

Community strategic planning such as: comprehensive plans, downtown revitalization, neighborhood revitalization, environmental and/or sustainability, brownfield revitalization, needs assessment, citizen participation, and fiscal management.

Overall, projects that will lead to a significant impact upon the community and are likely to have a sustained impact are likely to score highly. 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.

Planning project proposals must meet threshold requirements 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 under the Planning Category. Otherwise, an applicant under individual review will be scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

A new or more clearly defined threshold item under the Planning Category in 2018 is the Healthy Community Design threshold item. This item is already being addressed by many communities across Nebraska. The intention of this threshold item is to both identify that DED is aware of the well-established practice in the field of planning of addressing both unique visions and challenges concerning the overall community health of a population by documenting in community planning documents the basic concept that the built environment of a community affects the health of a community. This practice also allows communities to identify planning goals and objectives which may support future zoning and ordinances that may fulfill multiple purposes across both the fields of urban planning and public health. In addition, this threshold item reminds CDBG applicants that special planning studies still include transportation studies focusing on complete streets concepts, or multi-modal studies. It also allows recognition of community accomplishments concerning walkable/bikeable communities and transportation options.

A minimum of 30 points in this section is required in order to meet threshold. Points will be awarded in this section to applicants that demonstrate how planning projects will address and incorporate what goals the community holds, or actions it will take that will integrate healthy community design into the comprehensive plan, housing study, transportation study, downtown revitalization study, or other special study funded with CDBG dollars. Applicants may meet this threshold criteria by:

- Including healthy design in the planning process using a tool from the most recent “Healthy Communities Policy Guide” of the American Planning Association;
- Documenting in the project deliverable, such as a comprehensive plan update, how the built environment affects the health of a community and what unique vision the community holds for the increase in quality of health of its members;
- Documenting in the application healthy design achievements that the community has accomplished.

The planning concept of Healthy Community Design should be considered through the community engagement process and if applicable, the planning process for this CDBG planning project, or through a special study. The long-term objective is for Nebraska communities to be aware of and be given the

tools for investigating how their unique community needs may include solutions derived at least in part from Healthy Design planning concepts and tools.

The most recent “Healthy Communities Policy Guide” of the American Planning Association, states that “A healthy community, as a concept and goal, may have varying meanings depending on the purpose and mission of the organization.” In addition, the APA states, “healthy communities are defined as places where all individuals have access to healthy built, social, economic, and natural environments that give them the opportunity to live to their fullest potential regardless of their race, ethnicity, gender, income, age, abilities, or other socially defined circumstances.” Applicants may review and utilize the information in the current APA guide at:

<https://www.planning.org/policy/guides/adopted/healthycommunities/> when addressing and describing how this threshold item is met within the CDBG Planning Project application.

This threshold requirement upholds a State emphasis on inter-agency collaboration to increase communication between State Agencies in order to increase efficiency and collaboration between agencies. This collaboration will aid in increasing the quality of life of Nebraskans, while simultaneously clarifying potential partnerships between agencies holding associated program services and missions. It supports the “Nebraska Walkable Communities Initiative” of Nebraska DHHS, in collaboration with the Nebraska Department of Transportation, the Nebraska Tourism Commission, and other Nebraska State Agencies and Nonprofits.

A health component can also be documented in the project deliverable, such as in a comprehensive plan update or special study.

Applicants may also fulfill the healthy community design threshold criteria by listing achievements associated with healthy design concepts or local walkability initiatives. This may include a description of local priorities such as community design standards, coalitions, or policies that may positively impact the physical infrastructure, safety, health and social services, social cohesion, or economy of the community which are associated with People Living Better Lives. Demonstration of these elements can be, but are not limited to:

- Mayor’s Bicycle and Pedestrian Coalitions
- Park and Recreation Plans
- Trail Plans
- Walkability, Bikeability and Transit Studies
- Complete Streets Elements including policies
- Safe Routes to School Programs
- Regional Bike/Pedestrian Plans

**Grant Size Limits Information:**

The maximum grant amount for Planning Category activities will be \$40,000 per community/unincorporated county. The maximum grant amount for Planning Category activities will be \$60,000 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. Planning Category applications that are funded will receive CDBG funds. Applicants are not required to submit an application for the maximum grant amount.

All activities funded with Planning resources, except costs associated with general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

**Planning Category Local-Cost Share Example**

Planning Local Cost-Share Example				
(A)	(B)	(C)	(D)	(E)
Project Activity Costs	0181 General Admin.*	Total CDBG Costs	Local cost-share Match	1000 Total Amount
	[A*10%]	[A+B]	[A*25%]	[C+D]
\$40,000	\$3,000	\$43,000	\$10,000	\$53,000

*\*General Administrative costs cannot exceed 10% of “A” Project Activity Costs, not to exceed \$3,000 overall.*

Program income for the State's CDBG program is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG award will be governed by the policies written in the Department’s *Annual Action Plan* and the (5-year) *Consolidated Plan* section “Program Income”. Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 “Program Income”. Lastly, Program Income (and Re-Use Plans) are addressed within your CDBG Contract (per project).

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.

**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 an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out processes that lead to successful projects that direct resources toward State priorities.

## **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. The purpose of the Public Works (PW) Program Category is to provide for a broad range of investments to communities investing in effective and affordable infrastructure and/or facilities that address strategic long-term developments. This category recognizes the importance of the availability and condition of infrastructure and community facilities. Funded projects shall develop the state's communities and counties by providing residents with basic infrastructure and/or facilities with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the 2018 Program Year, all activities proposed in applications for CDBG funding in the PW Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele). A project or project activity that fails to meet the national objective is ineligible.

For more information see the 2018 CDBG PW Application Guidelines at:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

Applicants are required to submit a project description identifying the nature and scope of the project, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the CDBG Application Guidelines.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental

review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** attachments should supplement and not be considered as a replacement for narrative.

The Matrix below 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. All selection criteria will be scored in five point increments and shall be scored on a scale.

Selection Criteria Detailed Matrix – PW Category		
Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	200	75
4. Community Support	150	75
5. Match	50	
6. LMI Benefit	50	
7. Municipal Equalization Fund (MEF) Score	100	
8. Achievements	50	
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

Additional information regarding threshold requirements and eligible activities can be found within the Appendix, and within the PW Category Application Guidelines, found at:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

*\*Note: Grantees with open CD Category awards cannot apply within the PW Category.*

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

Complete information regarding the application criteria are available within the PW Category Application Guidelines. These 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

It is anticipated that \$3,250,000 in CDBG funds will be made available to be utilized for PW Category. Half of the allocation may be designated for infrastructure projects and the other half for facility projects. Total distribution includes \$1,250,000 of 2018 CDBG Allocation and \$2,000,000 prior year resources, for a total of \$3,250,000 made available.

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

Threshold Factors Description:

A minimum score of 300 threshold points is required in order for a PW Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score, as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG PW Category Table.

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
- 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.)

Eligible Applicants

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

See the “Fundability Threshold Requirements” and *Section 5.01* for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01* and *1.03* of the Application Guidelines.

#### Eligible Activities

The following activities are eligible within the PW Category. Where any activity is not identified among the list below, please consult the Program Representative.

#### Facilities:

- Community Centers
- Senior Centers exclusively for persons aged 62 and over
- Nonprofit centers for daycare, 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;
- Remodel shelter facilities for the homeless (excludes costs for operation)
- Accredited public libraries
- Neighborhood parks
  - a new facility/improvement or
  - a quantifiable increase of an existing facility/improvement;
- Single- or multi-service fire/rescue buildings
  - Fire trucks are specifically considered “public facilities” and thus eligible;
- Removal of architectural barriers for accessibility; 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.

#### Infrastructure:

- 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;
- Removal of architectural barriers for accessibility; and
- Drainage improvements (e.g. retention ponds or catch basins).

For more information, see *Section 3.04* of the Application Guidelines. Restrictions are identified in *Section 3.03*.

Grant Size Limits Information:

The maximum grant amount for PW activities is up to \$350,000 exclusive of supporting project and general administration costs. The cost per resident beneficiary cannot exceed \$3,000, except for daycare centers where it cannot exceed \$10,000.

Public Works Category – Key Maximums and Requirements	
Project Costs	\$350,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs

*General Administration and Construction Management do not require match.*

For more detailed information, see *Section 4.01* of the 2018 CDBG PW Application Guidelines.

Match Requirements:

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Under the PW program category, activities require a 25% match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

PW Program Category Match Example

All activities funded with PW resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project. See the table below:

PW Local Cost-Share Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*	Total CDBG Costs	Local cost-share Match	1000 Total Amount
0070 Public Facilities		[A*10%]	[A+B+C]	[A*25%]	[D+E]
\$350,000	\$10,000	\$25,000	\$385,000	\$87,500	\$472,000

*\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$25,000 overall.*

Program income for the State's CDBG program is regulated by the provisions of 24 C.F.R. §570.489(e). The text of this regulation should be consulted for definitions and for other guidance concerning program income. Grantees that receive a CDBG award will be governed by the policies written in the Department's *Annual Action Plan* and the (5-year) *Consolidated Plan* section "Program Income". Related policy guidance can be found in the *Nebraska CDBG Program Administration Manual* in Chapter 8 "Program Income". Lastly, Program Income (and Re-Use Plans) are addressed within your CDBG Contract (per project).

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.

For more information, see *Section 4.03* of the CDBG PW Application 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 accessibility, viability, and sustainability of infrastructure and/or facilities.

## **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. The purpose of the Tourism Development (TD) Category is to provide 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 attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective. The objective of Tourism Development is to assist tourism development projects that have already attracted significant financial support and are likely to have long-term positive impacts on the local and regional economics.

Tourist attractions must meet the CDBG National Objective of benefiting persons of low and moderate income (LMI) 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 <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>

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

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG national objective as a threshold for review and funding consideration. TD Activities must meet the national objective benefiting persons of low and moderate income (LMI). Tourism Development activities meet the LMI national objective through job benefits as (LMJ) low-moderate income jobs and assisting elderly and severely disabled adults as (LMC) low-moderate income clientele. Tourism Development applicants are required to meet threshold requirements 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 scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

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. The Municipal Equalization Fund (MEF) evaluation criteria tool was created in 1996 as a needs-based method of providing state aid to cities. The Nebraska Department of Revenue administers the program, 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 incorporates 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.

Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the Application Guidelines.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** attachments should supplement and not be considered as a replacement for narrative.

The Matrix below describes each selection criteria as a numerical score within the TD 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. All selection criteria will be scored in five point increments and shall be scored on a scale.

TD Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	250	100
4. Community Support	150	50
5. Match	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

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 <https://opportunity.nebraska.gov/grow-your-community/reports-plans/> and within the 2018 CDBG TD Application 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 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: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

Up to \$800,000, in resources will be made available to be utilized within the 2018 Program Year for TD projects. Total distribution includes \$700,000 of 2018 CDBG Allocation and \$100,000 prior year resources, for a total of \$800,000 made available.

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

### Threshold Factors Description:

A minimum score of 300 threshold points is required in order for a TD Application to be considered as meeting threshold. Some criteria require a minimum score, or threshold score, as noted in the previous section within the Selection Criteria Detailed Matrix – CDBG TD Category Table.

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

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
- 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.)

### Eligible Applicants

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the “Fundability Threshold Requirements” for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01, 1.03, and 5.01* of the Application Guidelines.

### Eligible Activities

The following activities are eligible within the TD Program. Please note, eligible tourism development projects, define tourist attractions (for profit, public, or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away.

If any activity is not noted within the list below, please consult the primary contact.



- Historic Restorations
- Scientific and Educational Interpretive Educational Sites & Facilities
- Participatory Sports Facilities
- Convention Centers
- Cultural and Heritage Recreational Sites and Facilities
- Supporting Activities that include Removal of Material and Architectural Barriers that Restrict the Mobility and Accessibility to sites/Facilities for the Elderly and Severely Disabled Individuals in Support of Eligible Tourism Activities.

For more information, see *Section 3.04* of the Application Guidelines.

#### Grant Limits Information

The maximum grant amount for TD activities will be \$400,000, and the minimum grant amount for TD activities is \$50,000, exclusive of supporting project and general administration costs.

General Administration include includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports and drawdowns. Matching funds are not required. Up to 10% of project costs can be used for general administration, not to exceed \$15,000.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds can be used under Activity 0380.

**Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.**

Tourism Development Category – Key Maximums and Requirements	
Project Costs	\$400,000
General Administration	10% of CDBG project costs, not to exceed \$15,000
Construction Management	\$10,000
Local Matching funds	25% Project Costs

#### Match Requirements

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Under the TD program category, activities require a 25% match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

TD Program Category Match Example

All activities funded with TD resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project. See the table below:

TD Local Cost-Share Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*	Total CDBG Costs	Local cost-share Match	1000 Total Amount
0070 Public Facilities			[A+B+C]	[A*25%]	[D+E]
\$350,000	\$10,000	\$15,000	\$385,000	\$87,500	\$472,000

\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$15,000 overall.

**General Administration and Construction Management do not require match.**

For more information, see Section 4.02 of the Application Guidelines.

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 2018. Applications will be submitted as prescribed in the Tourism Development Application Guidelines.

**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 water/wastewater projects. Within the WW Program, CDBG funds will be utilized for and made available under the LMI National Objective. WW Program 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.

### **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 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 60 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 eligible applicant to apply for a CDBG WW funding.

Once an invitation is extended, the eligible applicant has the option to submit a CDBG WW application which includes a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria of applications. This summary is of vital importance to the ability of DED to review an application based on the thresholds set forth in this section. Details can be further provided under the subsequent questions regarding the project need, impact, and national objective. The use of supplemental attachments provided by the applicant may also be submitted to further substantiate the application. .

To apply for funds under the CDBG guidelines, an eligible applicant must complete the APPLICATION FOR WATER/WASTEWATER CATEGORY form. This form consists of five parts: *Part I – General Information, Part II – Funding Summary, Part III – Project Budget, Part IV – Project Descriptions and Scoring Criteria, Part V – Required Exhibits & Attachments, Part VI Additional Attachments (where applicable)*. All parts must be completed according to instructions before an application will be considered for funding. Applicants shall be contacted by DED if their application is incomplete. Incompleteness applies to *Part I – General Information and Part II – Funding Summary, Part III – Budget, and Exhibits*. When all deficiencies have been corrected, DED will resume the review process.

Refer to the Appendix for additional details regarding the selection criteria

After the WWAC review is completed and if applicable, invited to apply by DED. DED staff will then review the applications on the below criteria

Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your project description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project.

This description should include how the project proposes to address one primary objective and outcome as described in *Section 2.03* of the CDBG WW Application Guidelines.

The review team utilizes your project description to determine eligibility of project activities and provides overall context to the selection criteria. This description is of vital importance to review and score an application based on the criteria and thresholds set forth in this program category. Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, and readiness. IMPORTANT NOTE: attachments should supplement and not be considered as a replacement for narrative.

WW Selection Criteria	Maximum	Threshold Minimum
1. Community and Project Need	100	-
2. Project Impact	100	-
3. Project Readiness	100	-
4. Community Support	150	-
5. Match	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
<b>Total</b>	<b>650 points</b>	<b>Application must be complete and adequate</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 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: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

For this Program Year, \$2,662,680 will be made available to be utilized for water wastewater projects. The WW award amount is based on beneficiary data of the project area as well as the feasibility and need for the project. Total distribution includes \$1,181,690 of 2018 CDBG Allocation and \$1,480,990 prior year resources, for a total of \$2,662,680 made available.

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

Threshold Factors Description:

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

- 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.)

Water/Wastewater applicants must have submitted a pre-application and Preliminary Engineering Report (see Water/Wastewater Pre-application above) to the Water Wastewater Advisory Committee (WWAC).

The Drinking Water and the Clean Water State Revolving Funds priority systems will be used to prioritize projects. Only those communities that would rank in the highest priority may be considered for CDBG through December 31, 2018. If funds remain available thereafter, CDBG funds will be considered for the highest ranked communities that are ready to promptly start and complete construction within 24 months. Highest priority community ranking for WW projects are:

- Drinking Water – 60 points or more
- Wastewater – 55 points or more

For more information on the Drinking Water and Clean Water State Revolving Fund priority system please look at the Department of Environmental Quality (NDEQ) website. For Clean Water Revolving Fund please visit <http://www.deq.state.ne.us/Publica.nsf/Publications+CWSRF>. For Drinking Water Revolving Fund please visit <http://www.deq.state.ne.us/Publica.nsf/Publications+DWSRF>.

No more than \$3,000 in CDBG funds per beneficiary of record can be invested in the described project area.

Applicants must have a reasonably projected user fee, including all potential grant funds, exceeding \$20 per household per month.

Grant Size Limits Information:

There are three phases to the WW program, the Preliminary Engineering Report/Pre-development Phase, Final Design Phase, and the Construction Phase. ***Funds will be available only in the Final Design Phase and Construction Phase.***

Water Wastewater Works Category – Key Maximums and Requirements	
Project Costs	\$350,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs

For more detailed information see *Section 4.01*.

**Match Requirements:**

Under the WW program category, activities require a 25% match. Consideration for match will be given for such sources as public and/or 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.

Proposed match must be from CDBG eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period.

**General Administration and Construction Management do not require match.** For more information, see *Section 4.02* of the CDBG WW Application Guidelines.

All activities funded with WW resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project. See the table below:

WW Local Cost-Share Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.* [A*10%]	Total CDBG Costs [A+B+C]	Local cost-share Match [A*25%]	1000 Total Amount [D+E]
0300 Water					
\$350,000	\$10,000	\$25,000	\$385,000	\$87,500	\$472,000

\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$25,000 overall.

**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.

## **STATE PROGRAM NAME: Emergent Threat (EM)**

**Funding Sources:** CDBG State RLF

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

Within the Community Development Priority Need, CDBG State RLF will be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the emergent threat criteria.

All activities proposed in applications for CDBG funding in the EM Category must meet the national objective of benefitting low-and moderate- income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele), aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS), and/or through urgent need (UN).

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

Local units of government must submit a pre-application to DED. Pre-applications are accepted any time during the year. DED will determine whether the community and project are eligible for funding. This determination may be made in consultation with appropriate federal, state and/or local agencies. If the pre-application meets the requirements, DED will invite the local unit of government to submit a full application. Full applications are reviewed on a quarterly basis by DED. DED will issue a notice of approval to those applicants who demonstrate a need, eligible CDBG activity, and meet the CDBG national objective.

The applications must be signed by the chief elected official and must identify how the proposed project meets and/or addresses all of the following:

- A threat must exist to health, safety, or community welfare that requires action. The threat resulted from unforeseeable and unavoidable circumstances or events (e.g., flood, tornado, fire, etc.);
- The project must meet one of the three national objectives of CDBG;
- It must be an eligible CDBG activity;
- No known alternative project or action would be more feasible than the proposed project;
- Reasonable funding summary, including:
  - Identification the major project delivery costs. (e.g., real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment, etc.) and
  - Indicate the local, state, or federal funds dedicated to the project with clear identification of the CDBG portion.
  - Evidence confirming that other financial resources to alleviate the need were not available.
- Narrative must be responsive to the selection criteria as described in the Matrix below.



The Matrix below describes each selection criteria as a numerical score within the EM Category. The maximum number of points available within any application is 100 points. A minimum score of 30 points is required overall. See the appendix for more details

Selection Criteria Detailed Matrix –EM Category	Maximum	Threshold Minimum
1. Project Need	40	10
2. Project Impact	30	10
3. Project Readiness	30	10
<b>Total</b>	<b>100 points</b>	<b>30 points</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 EM 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

No more than 60% of the CDBG State RLF will be disbursed to eligible CDBG EM activities. See the Annual Action Plan Appendix, Final 2018 Estimated Categorical Distribution.

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

The maximum project cost for CDBG EM activities will be in an amount up to \$450,000 per community. The maximum general administration is 10%, not to exceed \$25,000. Construction Management cannot exceed \$10,000.

*Threshold Factors*

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:** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- **Demonstration of threat:**
  - A threat must exist to health, safety or community welfare that requires action;
  - The threat resulted from unforeseeable and unavoidable circumstances or events;

▪ **Activities are eligible and comply with a CDBG National Objective:**

The activity must meet one of the national objectives: benefit Low to Moderate Income Persons, Aid in the Prevention or Elimination of Slums or Blight, and/or Urgent Need. The following activities are eligible within the EM Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

***Facilities:** Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, 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); Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries; Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered “public facilities” and thus eligible); 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).*

***Infrastructure:** Street improvements including curb, gutter, and sidewalk; Storm sewer improvements; Flood control; and Drainage improvements; Publicly owned water system improvements including, source treatment, storage, and/or distribution improvements; Publicly owned sanitary sewer collection and/or treatment system improvements; and when in support of any of the above activities, acquisition/easements, demolition, and clearance activities may be undertaken.*

**Note:** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- **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**
- **Applicant has adopted an authorizing participation resolution**
- **Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED**
- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

**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 increase accessibility, viability, resiliency, and sustainability of infrastructure and/or facilities.

## ***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 2018 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 2018 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 2018 shall be used in conformance with the 2018 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 Public works (PW) Program. The amount redistributed will not exceed the total funds required to fund all eligible and viable projects in the PW 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. The amount redistributed will not exceed the total funds required to fund all eligible and viable projects in the DTR Category application cycle.

The third priority for the redistribution of recaptured CDBG funds is to the Water/ Waste Water Program of the Community Development Priority Need. Otherwise, funds recaptured from prior CDBG projects

will be redistributed in conformance with the 2018 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 2018 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 2018 Program Guidelines as follows: (1) if there are sufficient funds within 105 days from the date of the 2018 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 2018 CDBG application acceptance date, may be redistributed in conformance with the Program Guidelines of any 2018 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.

## AP-35 Projects – (Optional)

### Introduction:

ESG and HOPWA, DHHS Programs have been added to the AP-35 Section as projects. Both programs have been added per current IDIS guidance material available through HUD. The CDBG, HOME, and HTF Programs of DED will not be added this program year but the Department will continue to move forward in making technical updates to be able to load those programs in the AP-35 also in the future.

ESG projects have been determined through the NHAP application process and included in the AP-35; however the ESG amount is not yet entered into IDIS thus the Activity Funding section cannot be connected to the identified activities.

The 2018 Program Year does not begin until July 1, 2018. Funding for CDBG, HOME, and HTF projects will not be determined until program-specific applications are received and evaluated, which will occur in 2018.

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

IDIS Project ID	Project Title
2	ESG18 Nebraska
3	2018 Nebraska AIDS Project NEH18-999 (NAP)
4	2018 State of Nebraska NEH18-999 (NE)

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

The 2018 Program Year allocation priorities were determined through the 2015-2019 Consolidated Planning process.

## AP-38 Project Summary (optional)

### Project Summary Information

2	<b>Project Name</b>	ESG18 Nebraska
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Nebraska Homeless Assistance Program (NHAP)
	<b>Needs Addressed</b>	Homeless Services Priority Need
	<b>Funding</b>	Homeless Shelter Assistance Trust Fund: \$3,411,811 ESG: \$988,055
	<b>Description</b>	The Nebraska BoS plans to utilize the 2018 federal Fiscal Year allocation of ESG funds to provide outreach to literally homeless persons living on the streets; operate shelters throughout the state; provide utility, other financial assistance and services to prevent homelessness; provide rent, other financial assistance, and services to support rapid rehousing programs; strategize with the Coordinated Entry system to quickly house homeless individuals; collect data on homelessness through HMIS, and for program administration.
	<b>Target Date</b>	6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Tenant-based rental assistance / Rapid Rehousing: 452 Households Assisted Homeless Person Overnight Shelter: 7224 Persons Assisted Homelessness Prevention: 1483 Persons Assisted
	<b>Location Description</b>	The ESG and HSATF funds that comprise NHAP funding are distributed throughout Nebraska Balance of State.
	<b>Planned Activities</b>	Provision of homeless and at risk of homeless services through Emergency Shelter, Rapid Rehousing and Homelessness Prevention services.
3	<b>Project Name</b>	2018 Nebraska AIDS Project NEH18-999 (NAP)
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	HOPWA Program
	<b>Needs Addressed</b>	HOPWA Priority Need
	<b>Funding</b>	HOPWA: \$493,733.56

	<b>Description</b>	The Project Sponsor will provide administrative oversight, direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.
	<b>Target Date</b>	6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Tenant-based rental assistance / Rapid Rehousing: 12 Households assisted annually; Other goal services are supportive services, housing information, resource identification and short-term rent/mortgage: 45 Persons served annually
	<b>Location Description</b>	Statewide
	<b>Planned Activities</b>	Provision of decent, safe and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.
4	<b>Project Name</b>	2018 State of Nebraska NEH18-999 (NE)
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	HOPWA Program
	<b>Needs Addressed</b>	HOPWA Priority Need
	<b>Funding</b>	HOPWA: \$201,000
	<b>Description</b>	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and resource development.
	<b>Target Date</b>	6/30/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers tenant-based rental assistance to an estimated 12 households annually, and supportive services, housing information, resource identification and short-term rent/mortgage to another 45 persons served annually
	<b>Location Description</b>	Statewide

<b>Planned Activities</b>	The State of Nebraska will provide grantee administrative oversight of project sponsor-led activities to provide decent, safe and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.
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## **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

### **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

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

Annually, the State will review the local revitalization strategies of the Comprehensive Development 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 Comprehensive Development Program. This is to ensure that during Program Year 2018 these activities meet a CDBG national objective of benefitting low-and-moderate income persons (through the subcategories LMI Area Benefit; LMI Limited Clientele; or LMI Housing). Any project or project activity that fails to meet one of these specified national objectives is ineligible.

In 2018 the State of Nebraska will continue to combine the CDBG Comprehensive Revitalization (CR) Program and Comprehensive Investment & Stabilization (CIS) Program into one competitive program called Comprehensive Development (CD). Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization program categories.

During the 2016 Program Year, communities were selected for Phase I (pre-development) funding.

Following the successful completion of the pre-development study, the second phase allows for implementation of activities identified in the pre-development study. Applicants have the opportunity to receive implementation (Phase II) funding over a two-year period. The first allocation (“Year 1”) of implementation resources were awarded during the 2017 Program Year. Those communities that receive resources for Phase II activities will have the opportunity to utilize additional resources for a second allocation (“Year 2”) of implementation funding. The purpose of the second allocation of funding is to continue (or expand) the activities completed during the first allocation of Phase II resources.

There are two “options” for applying for an award under Year 2: (A) where activities are continuation of those approved and included in the Year 1 contract and (B) where activities are expanded beyond those approved in Year 1 with the additional caveat that housing activities are not allowed under Year 2 unless they were incorporated in Year 1. For Option A, the Year 1 application may be updated for the activities and accomplishments undertaken and underway as it relates to those continued activities proposed for Year 2. For Option B, the Year 2 application must also include additional information regarding the newly proposed activities and their relationship to those activities and accomplishments undertaken and underway as a part of Year 1.

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II.

Grantees with open CD Category awards cannot apply within the Public Works and Water Wastewater categories.

Historical and current funding phases for the CD Program Category are in the table below and can also be found in the CDBG CD Application Guidelines, <https://opportunity.nebraska.gov/CDBGApplication>.

Funding Phase	CDBG Maximum Project Costs
Phase I – Predevelopment	
Program Year 2016	\$30,000
Phase II – Implementation	
Year 1 – Program Year 2017	\$350,000
Year 2 – Program Year 2018	\$430,000
<b>Maximum Total CDBG Investment</b>	<b>\$810,000</b>

During the 2018 Program Year, the primary CDBG National Objective met by the applicant under the CD Category is the benefit to low-to moderate-income persons of the community, primarily those residing within a CD target area. The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000. Recipients of CD resources are not required to use any of their award for General

Administration, nor for either Construction Management or Housing Management. CD is a competitive program category.

The 2018 Program Year is anticipated to be the last year of the Comprehensive Development Program Category under the CDBG Program. Future funding cycles for this program category may include another round of Phase I applications and awards. The CD Program did not fulfill the CDBG priorities as the State had anticipated and therefore the program is closing. The Community Development Priority Goals may not be met during the 2018 Program Year as a result.

## **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, HTF, ESG, and HOPWA funding throughout the state.

#### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Statewide	100

**Table - 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 that 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.

In regard to the HTF Program, geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

#### **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% achieves geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

#### **Targeted Needs Set Aside**

For HTF applicants applying within the Targeted Needs Set Aside, the entire state is the eligible area. While two of the three Set Asides do provide geographic diversity, the Targeted Needs Set Aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.

#### **Permanent Housing Set Aside**

For HTF applicants applying for the Permanent Housing Set Aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska.

## 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, HTF, 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 - 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	70
Rehab of Existing Units	80
Acquisition of Existing Units	25
Total	639

**Table - 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” (also identified as individuals or families who are at risk of homelessness) are estimated from the number of households served under the NHAP-Homelessness Prevention component for rental assistance. (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 and HTF Programs (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 that utilizes LIHTCs and HOME funds in order to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

The production of additional new units may also be completed with HTF resources that will be utilized through the NIFA/DED LIHTC 9% Application Cycles that utilizes LIHTCs and HTF funds in order to provide additional affordable housing for extremely low-income persons.

Rehabilitation of existing units is 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 that 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 rental units in order to create additional units for ELI populations is used in each of the 3 Continuums of Care through the use of a portion of HTF funds. This additional safe and affordable housing will help to improve the lives of underserved populations in the state.

The number of households supported through acquisition of existing units is 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 estimated \$750,000 in HOME funds proposed for the 2018 HOME CHDO projects/activities cycle, approximately 25 households will be assisted with acquisition, new construction, and rental rehabilitation 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. 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. Through the implementation of the National Housing Trust Fund, additional permanent housing will be created which will serve those persons.

## **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**

#### **Discussion:**

NDED will work in partnership with HUD and the troubled PHA, as designated by HUD, to understand and assess the situation of the troubled PHA. If warranted, appropriate, and available, DED will offer assistance to the PHA to identify potential federal and state technical and/or financial resources for which the PHA is an eligible applicant with eligible activities.



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

### **Introduction**

See below.

**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**

NHAP:

The State of Nebraska's NHAP funding is focused on assisting the populations with the greatest needs in support of reaching the goal of functional zero of homeless individuals in Nebraska. The Coordinated Entry process utilizes assessment tools which prioritizes those with the highest needs in our communities. The particular population that ranks as the highest risk are those that are unsheltered and/or are chronically homeless as defined by HUD's Final Rule. NHAP will continue to fund Street Outreach and Emergency Shelter programs to provide a support system for those individuals that are literally homeless. All individuals whom enter homeless programs in Nebraska are referred to the Coordinated Entry system to access permanent housing.

Identifying these individuals has created a more efficient homeless service systems by targeting resources toward those who need them most and helping clients move to appropriate permanent housing programs in an expedited manner. This is a change from the "first come, first served" model to serving those with the greatest risks and needs. In Nebraska, the Coordinated Entry System in the Balance of State has been established to rank those individuals with the highest needs for Permanent Supportive Housing. Other homeless individuals who rank with lesser needs may qualify for Rapid Rehousing Programs.

A major goal of the Coordinated Entry system is the establishment of a statewide Coordinated Entry list which provides homeless individuals and families to have additional client-choice to relocate to another part of the state in order to move closer to natural supports, employment opportunities or proximity to services.

NHAP will continue to require subrecipient participation in conducting the standardized assessment for every individual that is literally homeless or in emergency shelter and referring to the Coordinated Entry system. NHAP is in partnership with the HMIS provider to receive customized reports regarding entry and exits from homeless assistance programs to monitor NHAP subrecipient compliance with utilizing the Coordinated Entry process.

Additionally, the Coordinated Entry manager and the public access doors will train other community agencies that encounter unsheltered homeless persons. This includes law enforcement, hospital emergency units, faith communities and other service agencies to continue building symbiotic

relationships in efforts to increase the referral networks with CoC provider agencies when they encounter unsheltered persons in need of assistance.

Many of the NHAP funded programs are refocusing an allotment of their resources towards developing Rapid Rehousing programs in an effort to move individuals quickly from literally homeless to housed with sufficient supports in place to promote the participant's success. For the upcoming NHAP program year, the NHAP application has identified that Rapid Rehousing programs will be ranked as a priority for the expanded funding made available.

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

Emergency Shelter and Transitional Housing are a critical part of the homeless service system and will remain a needed service throughout the State for a variety of reasons, but not limited to; restrictive participant income eligibility for RR and/or CoC funded programs, short-term housing solutions for working poor experiencing temporary barriers to independent housing due to financial shortfalls, individuals experiencing domestic violence, lack of immediately available fair market housing, individuals exiting substance abuse treatment centers, youth under the age of 25, and other program participant needs.

Shelters provide temporary refuge and often serve as the "front door" or first place of entry to those experiencing homelessness to receive supportive services and access mainstream services. NHAP recognizes the importance that emergency shelters have in connecting those experiencing homelessness with the resources needed to exit homelessness and move to self-sufficiency. Despite these barriers to permanent housing for some individuals, agencies have been making increased efforts collaborate within their region to provide seamless services from emergency shelter to permanent housing solutions through the utilization of the Coordinated Entry system. The goal of the Coordinated Entry system in the upcoming year is to also include Transitional Housing into the Coordinated Entry system to serve individuals who may need longer term shelter stays and to serve those with priority needs, such as homeless youth, victims of domestic violence and individuals who are recovering from substance abuse.

For NHAP programs funded to support Emergency Shelter Programs, performance will be measured based on:

1. Increased use of bed utilization rate.
2. The average length of stay of the households served decreased from prior year.
3. Increase in the percentage of discharged households to permanent housing.
4. Percentage of returns to homelessness

For NHAP program funded to support Transitional Housing Programs, performance will be measured based on:

1. Increased use of bed utilization rate.
2. Increase in the percentage of discharged households to permanent housing.
3. Increase in the percentage of discharged households with more cash and non-cash benefits.
4. Percentage of returns to homelessness

To evaluate these performance measures, NHAP requests data from the HMIS system and has requested customized reports which evaluate the programs on percentage of exits to permanent housing and returns to homelessness. This data will be used to evaluate the effectiveness of programs for funding determination and to address any performance issues with current NHAP subrecipients.

**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 of Nebraska will continue to uphold the expectation that NHAP sub-recipients will coordinate services, utilize the “Housing First” model, and encourage prioritization of Rapid Re-Housing programs towards the end goal ending homelessness in Nebraska. Technical assistance will continue from the State to support the implementation of Outreach and Rapid Re-Housing services through NHAP grant awards towards the end goal of increasing the number of homeless households placed into sustainable permanent housing. NHAP is an active participant of the Coordinated Entry (CE) planning committee and a member of the CE governing body to provide feedback and to ensure inclusion for all homeless and at risk of homeless in our communities.

All NHAP subgrantees have the expectation that they will participate in their local Continuums of Care to coordinate resources to ensure that homeless individuals are identified and provided the appropriate array of services to meet their needs to encourage sustainability. Utilizing the CoC’s Coordinated Entry system allows for standardized assessment to promote placing homeless individuals into appropriate permanent housing and more effectively targets resources to those most in need. Nebraska is utilizing standardized assessment tools to target the most vulnerable and chronically homeless individuals, youth and families in the State. Higher scores correspond to greater need and are prioritized on the CoC PSH Coordinated Entry list and those individuals with lesser needs are placed into permanent housing through Rapid Rehousing programs. Homeless youth are identified for the Transition Aged Youth program that operates within the CE system. Consequently, by identifying chronically homeless and the

most vulnerable individuals in the state, active coordination between agencies and then making an expedited and appropriate level of intervention, individuals and families are experiencing homelessness are served in an efficient manner.

NHAP has also directly worked with victim service providers, who are not required to utilize the HMIS system, to promote engagement with the Coordinated Entry system to ensure that the clients served by these types of programs have access to all permanent housing options in conjunction with supportive targeted services. NHAP and the Coordinated Entry manager will continue to train the victim service providers and the state-wide Domestic Violence/Sexual Assault Coalition on the Coordinated Entry processes with special consideration will be provided to protect the confidentiality of individuals utilizing victim services programs.

Nebraska also maintains a Veteran's Coordinated Entry process through the SSVF funding source. Veterans who present at a homeless service provider as homeless or at-risk of homeless are referred to this program for permanent housing opportunities and other supports. In the event of lack of capacity in SSVF, veterans are given priority scoring on the conventional Coordinated Entry list. A major accomplishment for the Nebraska BoS has been certification by the United States Interagency Council on Homelessness (USICH) as achieving functional zero for homeless veterans. The SSVF program is an active participant in the Continuums of Care and will continue to meet the needs of homeless veterans.

Over the course of the next year, NHAP will continue to monitor the length of time households are homeless through HMIS and then establish targets for agencies to assist households into permanent housing utilizing the "Housing First" model. NHAP will monitor subrecipients continued progress on increasing the number of households being placed in permanent housing and provide technical assistance, resources and supports to agencies to promote ending homelessness in Nebraska. NHAP will continue to coordinate with the Department of Economic Development and other Federal and State agencies to identify where there is a lack of affordable housing and gaps in services across the State. It is the goal of NHAP to efficiently and successfully provide permanent housing to the homeless and make all efforts to prevent returns to homelessness. To measure the success of each NHAP funded agency, NHAP is tracking the number of returns to homelessness for individuals/families who have exited to permanent housing in order to provide technical assistance and for funding determinations to promote successful outcomes.

**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 funded through ESG/HSATF which are targeted towards homeless prevention. For the 2018-19 grant year, a heavily weighted scoring component was included to promote collaboration between homeless assistance and mainstream service providers to maximize the funding availability to avoid individuals and families from becoming homeless. NHAP will also continue to prioritize Homelessness Prevention services for funding to prevent entering into a homeless situations. These efforts to connect homeless and at risk of homeless to mainstream economic assistance services are evaluated through the NHAP application process.

NHAP funded agencies are required to have a formalized process for referring low-income individuals and families to access self-sufficiency resources. Public benefits such as food stamps (SNAP), TANF, and other benefits offered through DHHS and other community agencies are just a few examples of services distributed state-wide to provide financial assistance to those who are extremely low-income and require assistance in order to stabilize their financial situation to ensure they are able to maintain housing. NHAP's goal to increase the percentage of households with both more cash and/or non-cash benefits for all programs to help those low-income families and individuals from entering homelessness.

In addition, a Diversion training was provided to all homeless assistance providers throughout Nebraska to promote a model to divert low-income and at-risk of homeless individuals and families from entering homeless systems across the state. The Diversion training also included a day for a train-the-trainer program which will allow for the participants to promote this model in local communities. Trainers will conduct sessions on the diversion process, both within their agencies and to community groups. Brochures and other materials will be developed for distribution to agencies and other entities that have contact with homeless and at risk of homeless individuals and families.

In further support of these efforts, NHAP currently sets aside a portion of the Homeless Shelter Assistance Trust Fund to provide financial support for agencies, designed by their local CoC, to assist individuals who are at risk of homeless or homeless with applying for Social Security Income or Social Security Disability Income benefits through the SOAR program to improve economic self-sufficiency for eligible candidates. The goal of NHAP is to expand this model with qualifying youth transitioning out of foster care and correctional facilities to support these populations.

NHAP 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. There is a high expectation that the CoC regions and NHAP subrecipients actively promote and pursue coordination with community providers to connect individuals served with mainstream resources and services.

#### **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	40
Tenant-based rental assistance	12
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>52</b>

## **AP-75 Barriers to Affordable Housing – 91.320(i)**

### **Introduction:**

Below is information on the actions planned for 2018 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 2018 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 as it relates to utilizing CDBG, HOME, HTF, ESG, HOPWA, HSATF, and NAHTF resources, 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 assists 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: 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.

The National Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to remove/ameliorate barriers to affordable housing and increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families. Nebraska will use the HTF funding for affordable housing projects through three set-aside programs which will assist to ameliorate barriers to affordable housing for extremely low-income citizens.

The first set-aside program is the LIHTC 9% Set-Aside Program. The State will remove barriers to affordable housing for ELI populations by coordinating joint applications for low income housing tax credit applications with the Nebraska Investment Finance Authority (NIFA). The second set-aside program is the Targeted Needs Set-Aside. It will be used for projects that focus on targeted / special needs housing projects that do not use any low-income housing tax credit resources. This will assist in the amelioration of the barrier of the shortage of housing for ELI populations with targeted needs. The third set-aside is the Permanent Housing Set-Aside Program, which will remove barriers to affordable housing by funding permanent housing projects for the ELI population that is homeless, at risk of homelessness, and other special needs ELI populations. All three set-asides are able to provide funds to projects that acquire, rehabilitate, and resell existing residential units, rehabilitate residential units for the creation of new permanent housing units, rehabilitate existing housing units, or construct new rental units for ELI citizens in general, including those who are homeless, have special or targeted needs, or are at risk of becoming homeless. All projects eligible under the set-asides will assist in ameliorating the barrier of a lack of rental housing for the ELI population, and if available funds under any one of the set-aside programs are not fully utilized then those funds may be used for any projects under the other two set-aside programs.

## **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, HTF, 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. In addition, HTF resources will be used for creating and maintaining rental units throughout the state to serve ELI persons.

### **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, HTF, 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 through CDBG, HOME, HTF, ESG, & HOPWA may be used and 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, HTF, 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, Children and Family Services, and Public Health, 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.

Through the implementation of the National Housing Trust Fund, additional collaboration will be completed with DED, DHHS, Public Housing Authorities, and homeless service providers in order to work at providing housing for extremely low-income persons throughout the state.

**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.

## 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	\$530,000
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>\$530,000</b>

### **Other CDBG Requirements**

1. The amount of urgent need activities	1,600,000
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% of CDBG funds will be used to benefit LMI persons during 2016, 2017, and 2018

## **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:

<https://opportunity.nebraska.gov/grow-your-community/reports-plans>

- 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:

<https://opportunity.nebraska.gov/grow-your-community/reports-plans>

- 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 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. Currently the written standards are being revised to incorporate additional standards regarding the Coordinated Entry process. Current versions of this document will be posted at: <https://ccfl.unl.edu/community-services-management/resources/bos-coc-ne-500>

### **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 BoS CoC has successfully implemented the Coordinated Entry system on January 17, 2018. NHAP is actively involved in the Coordinated Entry process through participation in the Coordinated Entry (CE) Planning committees and a standing member of the CE governing body. The Coordinated Entry manual, instructions and brochures can be viewed at: <https://ccfl.unl.edu/community-services-management/coordinated-entry>

Successful coordinated entry requires the participation of all housing and service providers in the community, participate in a designated process to coordinate entry to housing; including the use of coordinated referrals and triage, common applications, common entrance criteria and centralized lists.

The Coordinated Entry system:

- Diverts people away from the system who have other safe options for housing.
- Helps unclog the system by moving people more quickly through the referral process.
- Reduces duplication of efforts and help serve individuals better.
- Reduces frustration for service providers through targeting and engagement efforts.
- Quickly moves people from homelessness by connecting them to the most appropriate housing program available.
- Creates a more effective and defined role for emergency shelters and housing providers.
- Increases housing stability by targeting the appropriate housing intervention to correspond with the needs.
- Allows Continuum of Cares to be good stewards of limited resources.

The role and expectations of the CoC include:

- Overseeing body for the community-wide planning and coordination of programs for individuals and families who are homeless.
- The purpose and objectives of the Balance of State CoC are:
  - Gather information in order to identify and fill the gaps in services and community needs;



- Protect and improve the lives and safety of the homeless and near homeless;
- Actively engage homeless and other stakeholders in developing solutions to achieving self-sufficiency;
- Communicate with funding entities, other organizations and the public at large to promote the general welfare of the homeless and to increase self-sufficiency; and
- Ensure full development of a continuum of care with the shelter, housing and programs necessary to meet the needs of all homeless people and efficiently and effectively move them to self-sufficient life.

The University of Nebraska Lincoln, Center on Children, Families, and the Law was designated by the BoS CoC as the Coordinating Entity. CCFL houses the Coordinated Entry Manager who is responsible for the day-to-day administration of the Coordinated Entry System, which includes but is not limited to the following:

- Create and widely disseminate marketing materials regarding services available through the Coordinated Entry System and how to access those services;
- Ensure training regarding Coordinated Entry is available to participating agencies. At a minimum, the trainings will cover:
  - Verification of chronic homelessness
  - Who to assess
  - How to administer the VI-SPDAT
  - Process and procedure for referring to coordinated entry
  - Review of policies and procedures
  - Assessments and prioritization
  - Criteria for uniform decision making
- Management of participant HMIS records;
- Ensure pertinent information is entered into HMIS for monitoring and tracking the process of referrals, including availability of resources, completion of assessments, and referrals made;
- Arrange case reviews to resolve rejections by housing programs and refusal by participants to engage in housing plans in compliance with the housing program guidelines;
- Manage appeals process utilizing protocol described in this manual;
- Manage processes to enable participation in Coordinated Entry by providers not participating in HMIS.
- Organize ongoing quality control activities to ensure function and performance remain accountable to participants, referral sources and homeless service providers throughout the Coordinated Entry process;
- Evaluate efforts to ensure Coordinated Entry is functioning as intended;
- Update Coordinated Entry system and process as determined necessary by a broad and representative group of stakeholders;
- Update Operations Manual as needed;
- Manage all public relations requests relating to Coordinated Entry.
- Provide open and transparent communication to referral sources, homeless and housing providers, and community members;

- Respond to email questions and provide guidance

**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 an attempt to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle in 2003. The first year involves 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.

Grant year 2018-2019 is the 1<sup>st</sup> year of this two-year grant cycle, which is an open competition year. Renewing and new NHAP applicants will submit a full application which includes performance outcomes from the previous year and narratives relating to the need of the program in their community, collaboration with other homeless providers, and outcomes for the individuals they serve. Agencies that have not been funded through NHAP in the previous funding cycle will not be able to report out the full data requested in the NHAP application; however, the HMIS lead (CCFL) has been developing other types of performance reports to allow overview of performance measurement factors. One new report that is being reported for FY18 is data on the percentage of individuals who have exited homeless programs to permanent housing and a breakdown on returns to homelessness at 6, 12, and 24 month time periods.

The State NHAP (ESG/HSATF) program is awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website and distributed to each regional CoC email list. Funding by geographic region is announced prior to the application process and awards are based on input from the applicable CoC and review of the applications received to meet service needs in each geographical region. The eligible applicants are units of general local government and individual non-profits, including faith-based organizations.

**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 their Board or actively consult with them regarding ESG policies, funding and activities. The NHAP applications request narrative regarding the consultation of homeless or formerly homeless individuals which is evaluated. Furthermore, during on-site monitoring visits conducted by the State, NHAP sub-recipients

are required to be able to demonstrate this assurance is being met.

Additionally, the BoS CoC has a formerly homeless individual who represents the 5 regions which comprise the BoS and participates in policy and funding determinations. The goal of the BoS for the upcoming program year is the establishment of a youth action sub-committee comprised of homeless and/or formerly homeless youth to provide input on funding and policy decisions. The youth action sub-committee will also appoint a representative to participate in the BoS CoC meetings to provide input on increasing engagement with youth-focused services.

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

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

A performance report card with performance metrics has been established by the BoS CoC. Currently a report is issued through HMIS or comparable database for the victim service providers and distributed annually to all CoC and ESG grantees. NHAP has also incorporated these performance measurements into the annual application process as an evaluation component of how successful NHAP sub-recipients are at reaching and achieving program standards. All NHAP subrecipients, including the City of Lincoln and the City of Omaha who are entitlement cities but receive NHAP Homeless Assistance Trust Funds, are required to submit their performance measures which are utilized to determine funding decisions.

Part of the performance measures specifically relate to housing stability and increasing economic self-sufficiency. 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 homeless gain stable housing. See also Performance Measures Section at (<https://opportunity.nebraska.org/aap>). See prior sections for additional information.

**Discussion:** See above

## **Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)**

### **1. How will the grantee distribute its HTF funds?**

DED will distribute the HTF funds through applications submitted by eligible recipients.

### **2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".**

N/A

### **3. If distributing HTF funds by selecting applications submitted by eligible recipients,**

#### **a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Yes, Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients.

Eligible Recipients include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations; public housing authorities; and State designated Community Housing Development Organizations that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

1. Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
2. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
3. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
4. Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, and manage and operate an affordable multifamily rental housing development.

### **Supplemental Information regarding Distribution of HTF Funds and Uses of Funds**

#### **A. Forms of Assistance**

Eligible uses of funds include: loans, grants, equity investments, and other State approved forms of assistance.

#### **B. Allocations and Set Asides**

1. Nebraska will reserve a portion of the State's annual HTF allocation to affordable rental, multi-family projects in coordination with Nebraska Investment Finance Authority (NIFA) through the

joint DED/NIFA application for low income housing tax credit applications within the LIHTC 9% application cycles. This allocation will be referred to as the “LIHTC 9% Set Aside”.

For 2018, the amount available to multi-family projects in LIHTC 9% will be **\$639,486: \$500,000 of 2018 allocation and prior year resources of \$139,486.**

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”.

For 2018, the amount available for a HTF Targeted Needs project will be **\$2,100,000: \$700,000 of 2018 allocation and prior year resources of \$1,400,000.**

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

3. Nebraska will allocate the remainder of HTF funds for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through 1) acquisition, rehabilitation, and resale of existing residential units or 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside.”

For 2018, the amount available for permanent housing will be \$4,500,000 and include:

**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Omaha Continuum of Care;

**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Lincoln Continuum of Care; and

**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Balance of State (BoS) Continuum of Care.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

The above mentioned amounts reflect the allocation of \$2,700,000 in 2018 HTF resources and \$4,539,486 in prior year resources, with \$300,000 to be used by the State for planning and administration, for a total of \$7,539,486.

**b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Yes, Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients. 90 percent of the HTF funds will benefit extremely low income (ELI) households for rental housing and 10 percent will be used for administrative expenses. Rental housing activities may include:

- Acquisition and rehabilitation of existing housing units (for the creation of additional rental units for ELI persons);
- Rehabilitation of existing rental units;
- Adaptive re-use of existing buildings;
- New construction;
- Operating Cost Assistance (utilized with other rental housing activities); and
- Operating Cost Assistance Reserves (utilized with other rental housing activities).

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed or newly constructed with HTF funds and DED will award no more than one-third of the state's annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program. Priority will be given to projects creating new units.

- c. **Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

### **Threshold Requirements**

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the 7 housing selection criteria, and includes the following information, unless waived by Nebraska DED for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and the applicant will be notified. Reasonable time will be given to the applicant to submit the missing information.

1. Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:
  - a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle.
  - b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
  - c. Applicants must comply in all respects with NDED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.

2. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
3. Demonstrate the financial feasibility of the project.
4. Certify that housing assisted with HTF funds will comply with HTF requirements.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.

### **NDED Housing Priorities and Scoring Criteria**

HTF funds will be awarded to the applicants whose applications are complete, meet all requirements, and score the highest points until all HTF funds have been allocated. If there is a tie in the scoring of two or more applications the projects will be ranked in the following order to determine which applicant receives priority:

1. The application with the greatest amount of additional subsidy per unit;
2. The application with a proposed project under the Targeted Set-Aside or Special-Needs Set-Aside;
3. The most complete application as determined by the State's completeness review team.

NDED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the NDED application evaluation determines a proposed project is not financially viable or feasible.

### **Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration**

(Answering the relative importance of the readiness of projects in the selection process (the scoring), 'Undertaking Projects in a Timely Manner')

The Nebraska DED HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. The following seven selection criteria, all given equal consideration, will be used to determine HTF allocation of funds, and to evaluate and select HTF applications to be awarded HTF dollars.

The following selection criteria, all given equal consideration, will be used to evaluate HTF applications.

#### **Priority based upon geographic diversity: Geographic Diversity Criteria (up to 10 points)**

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

#### **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% achieves geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

#### **Targeted Needs Set Aside**

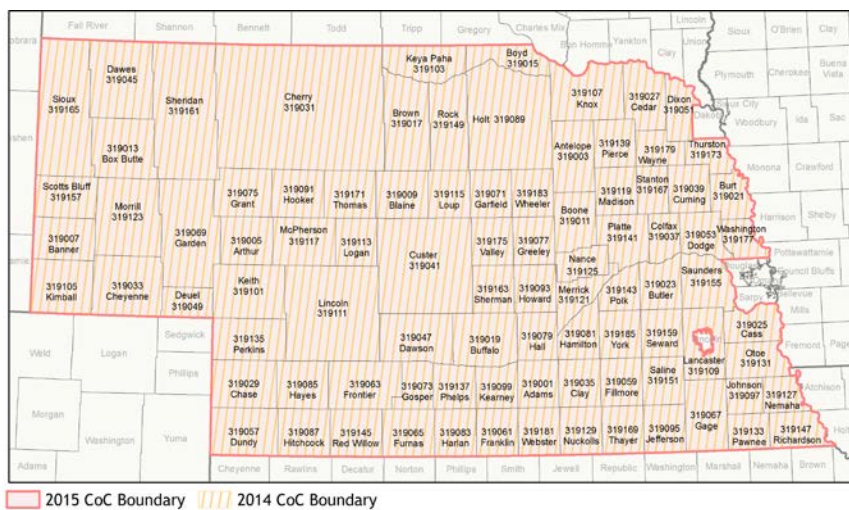
For HTF applicants applying within the Targeted Needs Set Aside, the entire state is the eligible area. While two of the three Set Asides do provide geographic diversity, the Targeted Needs Set Aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.



## Permanent Housing Set Aside

For HTF applicants applying for the Permanent Housing Set Aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska. See also the CoC map below.

Map of the Nebraska Balance of State CoC, with the Lincoln and Omaha CoCs excluded below:



Source: HUD Balance of State CoC Dashboard map, August 2016.

## Nebraska Homeless Assistance Program (NHAP) Continuum of Care (CoC) Regions

**Lincoln CoC:** City of Lincoln, located within Lancaster County, in the southeast area of Nebraska, also known as the NHAP Region 6

**Omaha CoC:** City of Omaha, located in Douglas and Sarpy Counties, located in the southeast area of Nebraska, also known as the NHAP Region 7

**Balance of State (BoS) CoC:** This region consists of the other five regions of the NHAP Program, which are:

- **Region 1:** Panhandle (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and 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, and 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, and 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, and Richardson counties)
- **Region 5:** Northeast (Know, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, and Douglas counties [Omaha excluded])

**Applicant’s ability to obligate HTF funds: Ability to Obligate Funds Criteria (up to 10 points)**

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control. Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization’s proposed HTF project.

**Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)**

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
- Timeliness determined through the Threshold Requirements completion
- Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

Property Portfolio – Describe the applicant’s portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant’s development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Project Management – Describe the procedures in place for monitoring the progress of the project.

**For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so units are affordable to extremely low income families: Project-Based Rental Assistance for ELI Criteria**

**(up to 10 points)**

Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

**For rental housing, the duration of the units’ affordability period: Affordability Period Criteria**

**(up to 10 points)**

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.

**The merits of the application in meeting the State’s priority housing needs: Priority Housing Needs Criteria (up to 10 points)**

HTF applications will be consistent with the State’s Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or

transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:

1. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
2. Is the project application promoting housing preservation by improving the quality of Nebraska's existing affordable housing?
3. Does the project application enhance statewide understanding of fair housing law through outreach and education?

The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.

1. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
2. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?

Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.

Describe how the proposed project impacts the community.

**The extent to which application makes use of non-federal funding sources: Non-Federal Funding Sources Criteria (up to 10 points)**

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

- d. **Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

#### **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% achieves geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

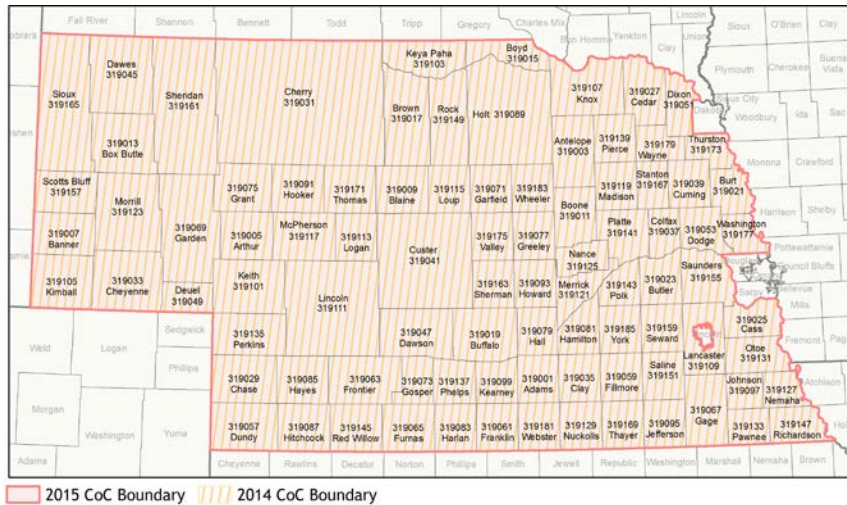
#### **Targeted Needs Set Aside**

For HTF applicants applying within the Targeted Needs Set Aside, the entire state is the eligible area. While two of the three Set Asides do provide geographic diversity, the Targeted Needs Set Aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.

#### **Permanent Housing Set Aside**

For HTF applicants applying for the Permanent Housing Set Aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska. See also the CoC map below.

Map of the Nebraska Balance of State CoC, with the Lincoln and Omaha CoCs excluded below:



Source: HUD Balance of State CoC Dashboard map, August 2016.

### Nebraska Homeless Assistance Program (NHAP) Continuum of Care (CoC) Regions

**Lincoln CoC:** City of Lincoln, located within Lancaster County, in the southeast area of Nebraska, also known as the NHAP Region 6

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- **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, and 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, and Richardson counties)
- **Region 5:** Northeast (Know, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, and Douglas counties [Omaha excluded])

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications

**submitted by eligible recipients, enter "N/A".**

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control. Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization's proposed HTF project.

**Applicant's ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)**

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
- Timeliness determined through the Threshold Requirements completion
- Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

Property Portfolio – Describe the applicant's portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant's development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

- f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance

in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

- g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.

- h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

HTF applications will be consistent with the State's Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars.

Applications will be reviewed to evaluate which of the three applicable objectives are addressed:

1. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
2. Is the project application promoting housing preservation by improving the quality of Nebraska's existing affordable housing?
3. Does the project application enhance statewide understanding of fair housing law through outreach and education?

The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.



1. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
2. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?

Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.

Describe how the proposed project impacts the community.

- i. **Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

4. **Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A"**

Yes.

5. **Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".**

Yes.

6. **Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on**

the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes.

7. **Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds. The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area. If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

During 2018, the third year of the program, while Nebraska and its development partners gain experience using HTF to create affordable rental housing to ELI households, the State will adopt limits used in other federal programs and will utilize the current HOME maximum per unit subsidy limits. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements.

The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska. The current limits include a calculation based on the Section 234 Basic (Elevator type) Limit up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits include:

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Base</b>		\$ 61,281.00	\$ 70,250.00	\$ 85,424.00	\$ 110,512.00	\$ 121,307.00
<b>Des Moines MSA</b> Guthrie, Dallas, Polk, Madison and Warren Counties	240%	\$ 147,074.40	\$ 168,600.00	\$ 205,017.60	\$ 265,228.80	\$ 291,136.80
<b>Omaha MSA</b> Saunders, Washington, Douglas, Sarpy and Cass Counties in Nebraska Harrison, Pottawattamie and Mills Counties in Iowa	236%	\$ 144,623.16	\$ 165,790.00	\$ 201,600.64	\$ 260,808.32	\$ 286,284.52
<b>All other PJs/Counties</b>	225%	\$ 137,882.25	\$ 158,062.50	\$ 192,204.00	\$ 248,652.00	\$ 272,940.75

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs per unit of affordable rental housing properties in Nebraska for the past few years. While there is a variation in individual project costs, there is relatively little variation in the average per unit costs in various locations throughout the state, in both rural and urban areas. Because of the relatively consistent development costs throughout the state, Nebraska chooses to utilize the HOME per unit subsidy limits as these limits are existing and an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

Below is further evidence to support the decision to utilize the above mentioned per unit subsidy limits.

	<b>Graham Park</b>	<b>Meadow Vista</b>	<b>Heather Estates</b>	<b>Wilderness Falls</b>
Location	Seward	North Platte	Imperial	Falls City
Total Cost	\$2,167,429	\$2,192,111	\$1,870,420	\$3,016,216
Number of Units	11	12	10	16
<b>Total Cost Per Unit</b>	<b>\$197,039</b>	<b>\$182,676</b>	<b>\$187,042</b>	<b>\$188,514</b>
Unit Description	6 3-Bedroom units; 3 4-Bedroom units; 2 3-Bedroom market rate units	12 3-Bedroom units	6 3-Bedroom units; 2 4-Bedroom units; 2 3-Bedroom market rate units	14 2-Bedroom units; 2 3-Bedroom units

Subsidy limits evidence continued:

	<b>Lofts on 24<sup>th</sup> Street</b>	<b>Northwest Senior</b>	<b>City Impact</b>	<b>Ambassador &amp; President</b>
Location	Omaha	Omaha	Lincoln	Lincoln
Total Cost	\$4,452,482	\$6,262,366	\$4,354,891	\$7,996,507
Number of Units	20	36	14	71
<b>Total Cost Per Unit</b>	<b>\$222,624</b>	<b>\$173,955</b>	<b>\$311,063</b>	<b>\$112,626</b>
Unit Description	3 2-Bedroom units; 14 3-Bedroom units; 3 4-Bedroom units	36 3-Bedroom units	14 4&5-Bedroom Units	30 SRO Units; 41 1-Bedroom Units

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

If the State intends to use its HTF funds for housing being rehabilitated, it must establish rehabilitation standards that all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion in accordance with § 93.301(b). The standards must provide enough detail on what work is required, how that work should be performed and what materials should be used. The State's standards may refer to applicable codes or may establish requirements that exceed the minimum requirements of the codes. At a minimum, the rehabilitation standards must address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;
- State and local Codes, Ordinances, and Zoning Requirements; and
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing.

See also Attachments A, B, and C for further information on rehabilitation standards in the HTF Allocation Plan.

***Indicate below if the State will use HTF funds for rehabilitation of housing.***

X  The State plans to use HTF funds for the rehabilitation of housing and has attached its rehabilitation standards to the HTF Allocation Plan.

#### **Supplemental Information for Rehabilitation Standards**

Additional information regarding DED Rehabilitation Standards is identified within the Attachments in the HTF Allocation Plan.

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the

**grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".**

N/A

- 10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".**

N/A

- 11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan.**

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population. The groups listed have also been identified in the action plan.

#### **Supplemental Information for State Limited Beneficiaries or Preferences**

A portion of HTF funds will be used for the creation and rehabilitation of permanent housing throughout the state. Within this distribution category, preference will be given to persons who are homeless; persons at risk of becoming homeless; and other special needs populations.

In addition, a portion of HTF resources will be used for the creation of additional housing for the targeted needs populations, including populations that may include: children aging out of foster care, and other populations that are extremely low income with housing shortages throughout the state. Preferences will be made for those populations served through the HTF Targeted Needs category.

Within the joint DED/NIFA LIHTC 9% cycles, a portion of HTF resources will be utilized. There are two cycles within LIHTC 9%. One cycle is the competitive cycle for applicants throughout the State of Nebraska. The other cycle is the CRANE cycle, which gives preference to special needs populations as defined within the CRANE application. Currently this includes: Housing for individuals with special needs (such as physical or mental disabilities, substance abuse issues, homeless, or those experiencing severe economic distress), including housing for populations with incomes below 30% of the applicable Area Median Income (AMI). At least 30% of the units must serve individuals with special needs.

During the development of the State's HTF Allocation Plan, within the citizen participation process, several respondents identified the need for additional permanent houses for ELI persons and this was one of the reasons that the Permanent Housing Set Aside was established within the Allocation Plan.

In addition, within both the Consolidated Plan and the State's Annual Action Plan, the State discussed the need to continue to find ways in which to provide additional permanent housing for Extremely Low Income persons, including those who are homeless or at-risk of homelessness. From the most recent data it was

found that based on ESG household placements only 37% of the household placements were into permanent housing. See also AP-65 of the 2018 AAP and SP-60 of Consolidated Plan.

This limited beneficiary preference also supports the actions planned to reduce the number of poverty-level families which includes utilizing 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. See also AP-85 of the 2018 AAP and SP-70 of the Consolidated Plan.

Other evidence that supports the need for creating a priority for permanent housing is through the findings within the State's "Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska" which is referenced in the State's AAP and also at:

[http://opportunity.nebraska.gov/files/crd/nchh/NCHH\\_OpeningDoors\\_StateofNE10YearPlantoPreventandEndHomelessness.pdf](http://opportunity.nebraska.gov/files/crd/nchh/NCHH_OpeningDoors_StateofNE10YearPlantoPreventandEndHomelessness.pdf) . Overall, there continues to be a significant unmet need for permanent housing throughout the state, particularly for ELI persons. HTF resources will be used to further decrease that unmet need.

- 12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."**

N/A

**Discussion:**

See above and the AAP Appendix in the 2018 Proposed HTF Allocation Plan and other HTF attachments in the AAP Appendix for additional information. <https://opportunity.nebraska.gov/grow-your-community/reports-plans>

**STATE OF NEBRASKA**

**2018**

**Annual Action Plan**

**Substantial Amendment**

**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, 2018 - June 30, 2019**

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Final 2018 Estimated Allocation <sup>1</sup>								
	<b>CDBG<sup>2</sup></b>	<b>HOME</b>	<b>HTF</b>	<b>ESG</b>	<b>HOPWA<sup>3</sup></b>	<b>NAHTF<sup>4</sup></b>	<b>HSATF<sup>5</sup></b>	<b>Total</b>
	Community Development Block Grant	HOME Opportunities Program	National Housing Trust Fund	Emergency Solutions Grant	Housing Opportunities for Persons with AIDS	Nebraska Affordable Housing Trust Fund	Nebraska Homeless Shelter Assistance Trust Fund	
Source	Federal	Federal	Federal	Federal	Federal	State	State	
Total 2018 Allocation	\$10,754,320	\$4,032,977	\$3,000,000	\$942,140	\$478,117	\$11,250,000	\$3,411,811	\$33,869,365
Prior Year Resources (Carryover)	\$6,331,000	\$1,366,461	\$4,539,486	\$45,915	\$231,000	\$0	\$0	\$12,513,862
<b>Distribution to eligible applicants<sup>6</sup></b>	<b>\$16,662,690<sup>7</sup></b>	<b>\$4,996,140</b>	<b>\$7,239,486</b>	<b>\$871,479</b>	<b>\$694,773</b>	<b>\$10,700,000<sup>8</sup></b>	<b>\$3,336,811</b>	<b>\$44,547,294</b>
Final State Admin, Operations <sup>9</sup> , & Technical Assistance	\$422,630 <sup>10</sup>	\$403,298	\$300,000	\$70,661	\$14,344	\$550,000	\$75,000	\$1,835,932
<b>Total Available<sup>11</sup></b>	<b>\$17,085,320</b>	<b>\$5,399,438</b>	<b>\$7,539,486</b>	<b>\$988,055</b>	<b>\$709,117<sup>12</sup></b>	<b>\$11,250,000</b>	<b>\$3,411,811</b>	<b>\$46,383,227</b>

<sup>1</sup> The CDBG, HOME, and HTF funding levels shown in the “Proposed 2018 Estimated Allocation” table above are estimated amounts. The State will adjust the estimated proposed allocation of CDBG, HOME, HTF, and HOPWA to match the actual allocation amounts from HUD. The budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

ESG: In the event that Nebraska does not receive the estimated funding from HUD, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has allocated reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

HOPWA: The Nebraska Department of Health and Human Services’ HOPWA Program will adjust its and their Project Sponsors’ estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

<sup>2</sup> The State will provide up to \$322,630 as match to the CDBG general administration allocation. This amount fulfills the matching requirements of the CDBG Program. This amount will ensure that the State's matching cost contribution is at least equal to the amount of CDBG general administration funds in excess of \$100,000 expended for administration as per 24 CFR 570.489(a). The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations. CDBG Program Income of \$9,013,535 will also be made available for distribution under the CDBG ED Category and the CDBG EM Category, as discussed in the AAP Plan and Appendix.

<sup>3</sup> Includes an estimated \$21,946 in administrative expenses to Nebraska AIDS Project (HOPWA Project Sponsor).

<sup>4</sup> A minimum of \$907,420 of the NAHTF allocation will be committed as HOME Match to meet the 2018 HOME Match requirement of 25% for Nebraska for the \$3,629,679 in non-administration funds that will be distributed to applicants from the 2018 HOME Allocation. There is \$1,366,461 in prior year resources which has already had the required 25% HOME Match applied, therefore no further Match is added here.

<sup>5</sup> The HSATF allocation of \$3,336,811 surpasses the ESG Program dollar-for-dollar matching requirement (and represents aid and administration).

<sup>6</sup> Funds available for distribution to eligible program applicants and local governments.

<sup>7</sup> An estimated \$9,013,535 CDBG program income will be made available for distribution to eligible projects under the CDBG ED Category and the CDBG EM Category from the CDBG State RLF. In addition to the 2018 CDBG Allocation (\$10,331,690) and the Prior Year Resources (\$6,331,000).

<sup>9</sup> State recipients and sub-recipients may also receive administrative funds.

<sup>10</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>11</sup> Includes all estimated distribution, state administration, and technical assistance available from 2018 CDBG, HOME, HTF, HOPWA, ESG, NAHTF, and HSATF programs (does include prior year resources).

### Final 2018 Estimated Categorical Distribution

Priority/Category	CDBG <sup>i</sup> Community Development Block Grant	NAHTF Nebraska Affordable Housing Trust Fund	HOME HOME Opportunities Partnership Program	HTF National Housing Trust Fund	ESG Emergency Solutions Grant	HSATF Homeless Shelter Assistance Trust Fund	HOPWA Housing Opportunities for Persons with AIDS
<b>Affordable Housing</b> <ul style="list-style-type: none"> <li>• HOME Rental (LIHTC)</li> <li>• CHDO set-aside</li> </ul>	\$3,100,000 <sup>ii</sup>	\$10,700,000	\$4,996,140:  HOME Rental (LIHTC): \$4,098,140  CHDO: CHDO Projects: \$750,000  CHDO Operations: \$148,000	\$7,239,486:  LIHTC 9% Set- Aside: \$639,486 <sup>iii</sup>  Targeted Needs Set-Aside: \$2,100,000 <sup>iv</sup>  Permanent Housing Set-Aside: \$4,500,000 <sup>v</sup>			
<b>Community Development:</b> <ul style="list-style-type: none"> <li>• Comprehensive Development</li> <li>• Downtown Revitalization</li> <li>• Planning</li> <li>• Public Works</li> <li>• Water Wastewater</li> <li>• Emergent Threat</li> </ul>	\$2,250,000 <sup>vi</sup> \$2,250,010 <sup>vii</sup> \$350,000 <sup>viii</sup> \$3,250,000 <sup>ix</sup> \$2,662,680 <sup>x</sup> xi						
<b>Economic Development</b> <ul style="list-style-type: none"> <li>• Economic Development</li> <li>• Tourism Development</li> </ul>	\$2,000,000 <sup>xii</sup> \$800,000 <sup>xiii</sup>						
<b>Homeless Services</b> <ul style="list-style-type: none"> <li>• Homeless Shelter &amp; Homeless Assistance and Prevention Services</li> </ul>					\$917,394 <sup>xiv</sup> (\$871,479 of 2018 allocation and \$45,915 prior year admin	\$3,336,811	
<b>HOPWA Services</b> <ul style="list-style-type: none"> <li>• Housing Opportunities for persons With AIDS</li> </ul>							DHHS HOPWA Services: \$201,000; Project Sponsor, NAP HOPWA Services: \$493,773 (\$463,773 of 2018 allocation and \$231,000 prior year resources)
<b>TOTAL DISTRIBUTION:</b>  \$44,547,294	\$16,662,690 <sup>i</sup>	\$10,700,000	\$4,996,140	\$7,239,486	\$871,479	\$3,336,811	\$694,773

Funding resources from CDBG, HOME, HTF, 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.

The CDBG, HOME, and HTF funding levels shown in the table above are estimated amounts. DED will adjust the estimated proposed allocation of CDBG, HOME, and HTF to match the actual allocation amounts from HUD. The budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

ESG: In the event that Nebraska does not receive the estimated funding from HUD, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has allocated reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

HOPWA: The Nebraska Department of Health and Human Services' HOPWA Program will adjust its and their Project Sponsors' estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

Category	2018 CDBG Allocation	Prior Year Resources	CDBG State RLF Program Income	Total Made Available
Owner Occupied Rehabilitation (OOR)	\$2,000,000	\$1,100,000	-	\$3,100,000
Comprehensive Development (CD)	\$2,000,000	\$250,000	-	\$2,250,000
Downtown Revitalization (DTR)	\$1,750,000	\$500,010	-	\$2,250,010
Planning (PP)	\$350,000	-	-	\$350,000
Public Works (PW)	\$1,250,000	\$2,000,000	-	\$3,250,000
Water/Wastewater (WW)	\$1,181,690	\$1,480,990	-	\$2,662,680
Emergent Threat (EM)	-	-	\$5,408,121	\$5,408,121
Economic Development (ED)	\$1,100,000	\$900,000	\$3,605,414	\$5,605,414
Tourism Development (TD)	\$700,000	\$100,000	-	\$800,000
<b>TOTAL</b>	<b>\$10,331,690</b>	<b>\$6,331,000</b>	<b>\$9,013,535</b>	<b>\$25,676,225</b>

<sup>i</sup> In addition to the annual allocation and prior years carryover, an estimated \$9,013,535 CDBG program income will be made available for distribution to eligible projects under the CDBG ED Category and the CDBG EM Category from the CDBG State RLF.

<sup>ii</sup> CDBG OOR Category – Total distribution includes \$2,000,000 of 2018 CDBG Allocation and \$1,100,000 prior year resources, for a total of \$3,100,000 made available.

<sup>iii</sup> \$500,000 2018 allocation and \$139,486 prior year resources

<sup>iv</sup> \$700,000 2018 allocation and \$1,400,000 Prior Year resources

<sup>v</sup> \$500,000 for each CoC from 2018 allocation and \$1,000,000 prior year resources for each CoC.

<sup>vi</sup> CDBG CD Category – Total distribution includes \$2,000,000 of 2018 CDBG Allocation and \$250,000 prior year resources, for a total of \$2,250,000 made available.

<sup>vii</sup> CDBG DTR Category – Total distribution includes \$1,750,000 of 2018 CDBG Allocation and \$500,010 prior year resources, for a total of \$2,250,010 made available.

<sup>viii</sup> CDBG PP Category – Total distribution includes \$350,000 of 2018 CDBG Allocation.

<sup>ix</sup> CDBG PW Category – Total distribution includes \$1,250,000 of 2018 CDBG Allocation and \$2,000,000 prior year resources, for a total of \$3,250,000 made available.

<sup>x</sup> CDBG WW Category – Total distribution includes \$1,181,690 of 2018 CDBG Allocation and \$1,480,990 prior year resources, for a total of \$2,662,680 made available.

<sup>xi</sup> CDBG EM Category – No more than 60% of the estimated \$9,013,535 CDBG program income will also be made available for distribution to eligible projects under the CDBG EM Category.

<sup>xii</sup> CDBG ED Category – Total distribution includes \$1,100,000 of 2018 CDBG Allocation and \$900,000 prior year resources, for a total of \$2,000,000 made available. No more than 40% of the estimated \$9,013,535 CDBG program income will also be made available for distribution to eligible projects under the CDBG ED Category.

<sup>xiii</sup> CDBG TD Category – Total distribution includes \$700,000 of 2018 CDBG Allocation and \$100,000 prior year resources, for a total of \$800,000 made available.

<sup>xiv</sup> ESG 2018 Distribution of \$871,479 and prior year admin resources of \$45,915, for a total of \$917,394.

## **2018 Application Acceptance Dates**

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

<b>Funding Priority/Category</b>	<b>Application Closing</b>
<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 Owner Occupied Rehabilitation               <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>▪ Full Application</li> </ul> </li> </ul>	March 2, 2018 April 30, 2018  August 4, 2018 October 5, 2018  September 28, 2018
LIHTC Tax Credit Application with NIFA/DED	January 8, 2018 (Round 1) March 26, 2018 (Round2) LIHTC 9% Cycle (Ongoing)
HTF Application Cycles <ul style="list-style-type: none"> <li>▪ LIHTC 9% Set Aside</li> <li>▪ Permanent Set Aside</li> <li>▪ Targeted Needs Set Aside</li> </ul>	(Ongoing) May 4; August 20; October 31; Ongoing May 4; August 20; October 31; Ongoing
<b>Community Development</b>	
Comprehensive Development <ul style="list-style-type: none"> <li>• Phase II Application (2<sup>nd</sup> year of Phase II only)</li> </ul>	September 15, 2018
Downtown Revitalization <ul style="list-style-type: none"> <li>• Phase II Application (Implementation)</li> <li>• Second Cycle (If Needed)</li> </ul>	September 30, 2018
Planning <ul style="list-style-type: none"> <li>• First Cycle</li> <li>• If Available, Second Cycle, TBD</li> </ul>	October 15, 2018 If Available, November 15, 2018

2018 Application Acceptance Dates (Continued)

**NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT**

Community Development Program Economic Development Program

And

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Homeless Services Program and HOPWA Program

<b>Funding Priority/Category</b>	<b>Application Closing</b>
<b>Community Development (Continued)</b>	
Public Works <ul style="list-style-type: none"> <li>• Full Application</li> <li>• 2<sup>nd</sup> Cycle (if needed)</li> </ul>	August 30, 2018 TBD (if needed)
Water Wastewater	Open Cycle (begins May 1, 2018)
Emergent Threat	Open Cycle
<b>Economic Development</b>	
Economic Development	Open Cycle (begins May 1, 2018)
Tourism Development	Open Cycle (begins May 1, 2018)
<b>Homeless Services</b>	
ESG & HSATF Applications	February 17, 2018
<b>HOPWA</b>	
HOPWA Application	Open Cycle

For additional information please visit the Department’s website at <http://opportunity.nebraska.gov> for the most current information regarding the Community Development & Housing Application Guidelines

## **CDBG ADMINISTRATION MANUAL, CHAPTER 8: PROGRAM INCOME**

Program income for the CDBG program is regulated by the provisions of 24 CFR 570.489(e). This regulation should be consulted for definitions and for other guidance concerning program income.

Broadly, 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 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 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.

### **PROGRAM INCOME FURTHER DEFINED**

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Per 24 CFR 570.489(e), 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.

## **REVOLVING LOAN FUNDS DEFINED**

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Per 24 CFR 570.489(f), A revolving loan fund (RLF), for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the U.S. Treasury for RLF activities.

## **CDBG STATE REVOLVING LOAN FUND (STATE RLF)**

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CDBG program income returned to the Department is deposited within the State RLF. The State awards funding from the State RLF through the CDBG Economic Development (ED) Category. Following a successful application, these funds are awarded to local governments to provide a direct loan to a business either through the NDO process or direct loan from the local unit of government.

Projects funded with the State RLF must meet CDBG requirements, including meeting a CDBG National Objective. The national objectives include:

- Benefit Low and Moderate Income Persons
  - LMI persons through the subcategory of job creation/job retention (LMJ), or
  - LMI persons through the subcategory of limited clientele (LMC), or
  - LMI persons through the subcategory of on an area basis (LMA).
- Aid in the Prevention or Elimination of Slum or Blight
- Urgent Need

### **CDBG Allocation vs CDBG State RLF**

When a community applies through the CDBG Economic Development (ED) category or the CDBG Emergent Threat (EM) category, the Department determines whether or not CDBG funds from the Annual Allocation or the State RLF are appropriate for the project.

- **Public and Private Infrastructure Projects:** The *CDBG Allocation* will be used when the community is requesting ED resources for the purposes of infrastructure development. Projects for infrastructure development include public infrastructure (i.e., activities for community owned or controlled infrastructure) and 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 both forgivable loans that are not paid back if a business complies with a CDBG National Objective and other CDBG requirements and grants to communities where no CDBG funds are paid back.
- **Non-Infrastructure Projects:** The *State RLF* will be used when an Economic Development project includes non-infrastructure related activities that utilize a business loan consistent with the NDO process, or a direct loan to a business by a community.
- **Emergent Threat Projects:** The *State RLF* will be used to assist local units of government that



pose a serious and immediate threat to public health, safety or welfare that requires immediate assistance and to cities and counties that see an opportunity to demonstrate sustainable community activities.

Additional policy discussion can be found in the CDBG Application Guidelines, Economic Development Category, and Emergent Threat Category.

## HOW TO REPURPOSE LOCAL PROGRAM INCOME

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Local Governments are able to amend their Reuse Plans/RLFs, including making amendments due to Emergency/ Disaster Declarations (i.e., communities have the option to repurpose their local program income). As community needs change, program income reuse plan activities may be expanded to include eligible CDBG activities and must meet the low-and moderate income (LMI) national objective. Below is additional guidance:

- Eligible CDBG Activities

Refer to the CDBG Administration Manual, Chapter 3 for the list of eligible CDBG Activities that Nebraska has identified as priority activities.

- Eligible National Objective:

Benefit low and moderate income (LMI) persons within the subcategories of 1) Area Benefit (LMA); 2) Limited Clientele (LMC); 3) Housing (LMH); and 4) Job Creation/Retention (LMJ).

**NOTE:** Local units of government cannot fund CDBG eligible activities through the national objectives: 1) Aid in the Prevention or Elimination of Slum or Blight or 2) Urgent Need.

- Amending Reuse Plan

If Local Government determines a need to amend their Reuse plan, they need to contact the Department regarding the process and proposed changes. To amend the Reuse Plan, the Local Government must submit the following items to the Department:

- Letter from the Chief Elected Official identifying:
  - Reason for the change of the Reuse plan,
  - Certification of approval by the local governing body (meeting minutes)
- Copy of the proposed Reuse plan

The Department will notify the local government of the results of their review for the proposed amended Reuse Plan. **The Department must approve the proposed amended Reuse Plan prior to implementation.**

## LOCAL ECONOMIC DEVELOPMENT (ED) PROGRAM INCOME

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### PROGRAM INCOME AND “CONTINUING THE SAME ACTIVITY”

The local government may retain program income if used to continue the activity from which it was derived, per Federal regulations; otherwise, the State may require the return of program income. The State is permitted to define “continuing the same project activity.”

For the purposes of program income, the State defines “continuing the same project activity” as:

- **Existing Local ED Revolving Loan Fund:** 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 Department-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- **No Existing Local ED Revolving Loan Fund (e.g., local unit of government has not established a local ED Revolving Loan Fund):**
  - For ED grantees, program income that was generated from the use of CDBG funds for the awarded activities may utilize the NDO process. In the instance where the NDO process is utilized, continuing the same project activity is defined as providing assistance for the same CDBG eligible activities as defined in the grantee’s Department-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
  - For ED grantees, program income generated from the use of CDBG funds awarded activities may be deposited into a newly created Local ED Revolving Loan Fund account. Any program income that is deposited through this process, continuing the same project activity is defined as providing assistance to the same business for the same activity for which it was originally funded.

### Local Economic Development Program Income Revolving Loan Funds (Local ED RLF) Policy

The following general rules apply to Local Economic Development Program Income Revolving Loan Funds (RLFs):

- All Local ED RLF must be kept in a separate bank account (preferably interest-bearing).
- All Local ED RLF must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the Local ED RLF cannot exceed 5% of the Program Income receipted during an annual reporting period.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a Local ED RLF are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a Local ED RLF, shall in no case, have a balance that exceeds \$750,000. Any amounts in excess of \$750,000 shall be returned to the State.

## Local Economic Development Program Income And Units Of General Local Government

The unit of general local government (UGLG) has the following options for utilizing CDBG program income, including:

- Returning the program income funds to the Department;
- Using the program income within an existing Local ED RLF;
- Establishing a Local ED RLF; or
- Utilizing the NDO process.

Below are the specific requirements that relate to the options each unit of general local government have for their use of program income.

### Returning Program Income Funds to the Department

The local government may return program income to the Department using one of the three processes described below.

Where **no Local RLF exists**, 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. (check identifies CDBG grant origination)

Any future program income payments a community may receive, and will be returning to the Department, should be collected by the local government and those funds should be returned to the Department once there is a reasonable balance (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

Where there is an **existing Local RLF, if a local government wishes to return program income and to discontinue the Local RLF**, 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 RLF 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.); and
- 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.

Any subsequent program income payments that the local government may receive would also be returned to the Department.

Where a local government wishes to **return program income that is in an Existing Local ED RLF and continue to operate the Local ED RLF**, 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 RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 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.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local ED RLF.

### **Use of Program Income – 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, the local government will do so by completing the following steps:

- 1) The local government must provide the Department 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. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - c. 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”;
  - d. 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 meeting the national objectives through LMJ, LMC, or LMA.
    - vii. The local government understands that the Department must approve their Local Reuse Plan.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to the Department. The Department will apply the funds to the State CDBG RLF.

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 RLF must be consistent with the requirements of Revised Local Reuse Plan that must be approved by the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local ED RLF must be locally monitored and the amount of program income within the Local ED RLF must be reported to the Department. 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 (or retained) beneficiary data, and amendments to the original loan or lease agreement, as required by the Department.
- 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 RLF 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 RLF and choose to discontinue the operation of the Local ED RLF can return the funds to the Department by following the requirements for “Returning the program income funds to the Department” as noted above.

In addition, the State schedules monitoring with all local governments who have operated or continue to operate a Local ED RLF. At its discretion, the **Department will conduct monitoring**. The State will review loans from previous Program Years. The monitoring 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 for the specific compliance issues discovered.

The Department enters into a CDBG Contract with the local government for each new (original, State-funded) CDBG Project. The Contract includes a process for handling program income generated by the project. The Contract details the procedures for the expected Program Income that is unique to that project.

#### **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 local government must provide the Department 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. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - c. 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”;
  - d. 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 the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to the Department. The Department will apply the funds to the State CDBG Revolving Loan Fund.

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 the Department 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 the Department. 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 Department.
- 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 the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED RLF. 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, including returning of funds to the State.

#### **Utilizing the NDO Process**

A local government may seek to form a subgrantee 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 CDBG Allocation, wishes to make 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 the Department 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 must 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 the Department and will have an approved NDO Reuse Plan in place.

Overall, 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 would not be considered program income, provided that a National Objective has been achieved. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the Department approved NDO Reuse Plan established by the NDO. The NDO would reinvest funds in broad-based economic development activities.

Local governments currently operating a Local ED RLF may choose to enter into an agreement with a designated NDO to carry out activities with the Local ED RLF. The NDO must be designated by the Department and operate the RLF with a Department-approved NDO Reuse Plan. The NDO must also include the local government in its service area. Once the funds are repaid to the NDO, provided that a national objective has been achieved, the funds would no longer be subject to the CDBG federal rules and regulations, thus 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.

## LOCAL HOUSING PROGRAM INCOME

The unit of general local government (UGLG) 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 the Department;
- 2) Retaining the program income and using it to continue the same CDBG eligible housing activities;
- 3) Using the program income within an existing Local Housing Revolving Loan Fund (RLF) on CDBG eligible housing activities; or
- 4) Establishing a Local Housing RLF to be used on CDBG eligible housing activities.

### PROGRAM INCOME AND “CONTINUING THE SAME ACTIVITY”

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. For the purposes of program income, the State defines “continuing the same project activity” as owner occupied rehabilitation and homeownership assistance.

### LOCAL HOUSING REVOLVING LOAN FUND VS. REUSE ACCOUNT

Per 24 CFR 570.489(f), a **Revolving Loan Fund (RLF)**, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the Treasury for RLF activities. Such program income is not required to be disbursed for non-revolving fund activities.

A **Reuse Account** is a separate fund established to carry out specific activities that do not generate payments to the account. Per 24 CFR 570.489(e)(3)(ii)(B), if the grant between the State and the unit of local government that generated the program income is still open when it is generated, it will be considered part of the unit of local government’s grant that generated it and must be disbursed before additional grant funds are drawn down from the Treasury for grant activities. If the grant is closed out, the program income will be considered to be part of the unit of general local government’s most recently awarded open grant, regardless of activity.

### HOUSING PROGRAM INCOME FUNDS POLICY

The following general rules apply to CDBG Housing Program Income Reuse Accounts and Revolving Loan Funds (RLFs):

- All housing program income must be kept in a separate bank account (preferably interest-bearing).
- All housing program income accounts must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the housing program income account cannot exceed 10% of the program income received during an annual reporting period: 5% for General Administration, and 5% for Housing Management.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a housing program income account are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a housing program income account, shall in no case, have a balance that exceeds \$750,000. Any amounts in excess of \$750,000 shall be returned to the State.

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 Program Income Funds to the Department**

The local government may return program income to the Department using one of the three processes described below.

#### *No Local Housing RLF exists*

Where **no Local Housing RLF exists**, 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. (check identifies CDBG grant origination)

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 (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

#### *Existing Local Housing RLF and Discontinuing Operation*

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and discontinue the Local Housing RLF**, 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 RLF 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.); and
- 3) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds the community is returning.

Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to the Department.

#### *Existing Local Housing RLF and Continuing Operation*

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and continue to operate the Local Housing RLF**, 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 RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 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.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local Housing RLF.

### **Retaining the program income and using it to continue the same 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 Department-approved Local Reuse Plan, as part of the local government’s contractual requirements with the Department.

At any time, a local government will have the option to discontinue utilizing the housing program income and return it to the Department. The Department will apply the funds to the State CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

At the end of the calendar year, if the total amount received in a Reuse Account by the unit of local government is less than \$35,000, that amount is no longer reported as program income (24 CFR 570.489(e)). That amount should be removed from the Local CDBG Program Income Reuse Account and de-obligated to the unit of local government. This applies to Reuse Accounts only. All program income received within a Local Housing Revolving Loan Fund never loses its identity as program income and should be reported 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 the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing RLF or Local Housing Reuse Account must be locally monitored and the amount of program income within that account must be reported to the Department. 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, grants/loans made, payments received, housing activities, beneficiary data, and amendments to the original loans, as required by the Department.
- 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 RLF or Local Housing Reuse 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 Housing RLF or Local Housing Reuse

Account.

- 6) Local governments that are currently utilizing a Local Housing RLF or Local Housing Reuse Account and choose to discontinue the operation of that Local Account can return the funds to the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to utilize a Local Housing RLF or Local Housing Reuse 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 Program Income – 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 the Department 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 the Department 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. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - c. 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”;
  - d. 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 the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the Department. The Department will apply the funds to the State RLF.

**All program income received in a Local Housing Revolving Loan Fund account never loses its identity as program income and should be reported 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 from the Local Housing Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by the Department 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 the Department. 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, housing activities, beneficiary data, and amendments to the original loan, as required by the Department.
- 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 the Department by following the above requirements for “Returning the program income funds to the Department” 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 the Department 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 the Department 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. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - c. 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”;
  - d. 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 the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local Housing RLF or Local Housing Reuse Account and return the program income funds to the Department. The Department will apply the funds to the State RLF.

**All program income received in a Local Housing RLF account never loses its identity as program income and should be reported to the Department.**



## **OTHER CDBG PROGRAM INCOME**

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Program income generated from other CDBG activities including those under the Community Development Priority, including Comprehensive Development, Comprehensive Revitalization, Comprehensive Investment Stabilization, 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.

## **REPORTING PROGRAM INCOME**

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Local governments are required to report program income from all CDBG projects on a semi-annual basis. Reporting periods are:

- July 1 – December 31: **Report due January 30**
- January 1 – June 30: **Report due July 30**

Separate reporting forms are available for Local ED Program Income and Local Housing Program Income on the Department's website, <http://opportunity.nebraska.gov/CDBG>. In order to report other program income from non-ED or non-housing projects, please contact your Program Representative.

Program Income Reports can be submitted to the Department via email. Follow the Instructions for the each type of report for guidance on reporting and timely submissions. Grantees must retain a copy of each Program Income Report in their files.

*Note: Local governments, who retain Local ED Program Income, are also required to submit the "Job Creation/Retention Report" to the Department upon the project meeting the National Objective.*

## 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 the activities 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 Program Income Requirements 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 the housing unit 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. 65% 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/2018/> 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 estimates 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 ( $\frac{\$115,698 - \$105,000}{\$105,000} \times 100\% = 10.2\%$ ).

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 \$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 the 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 prorate 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,

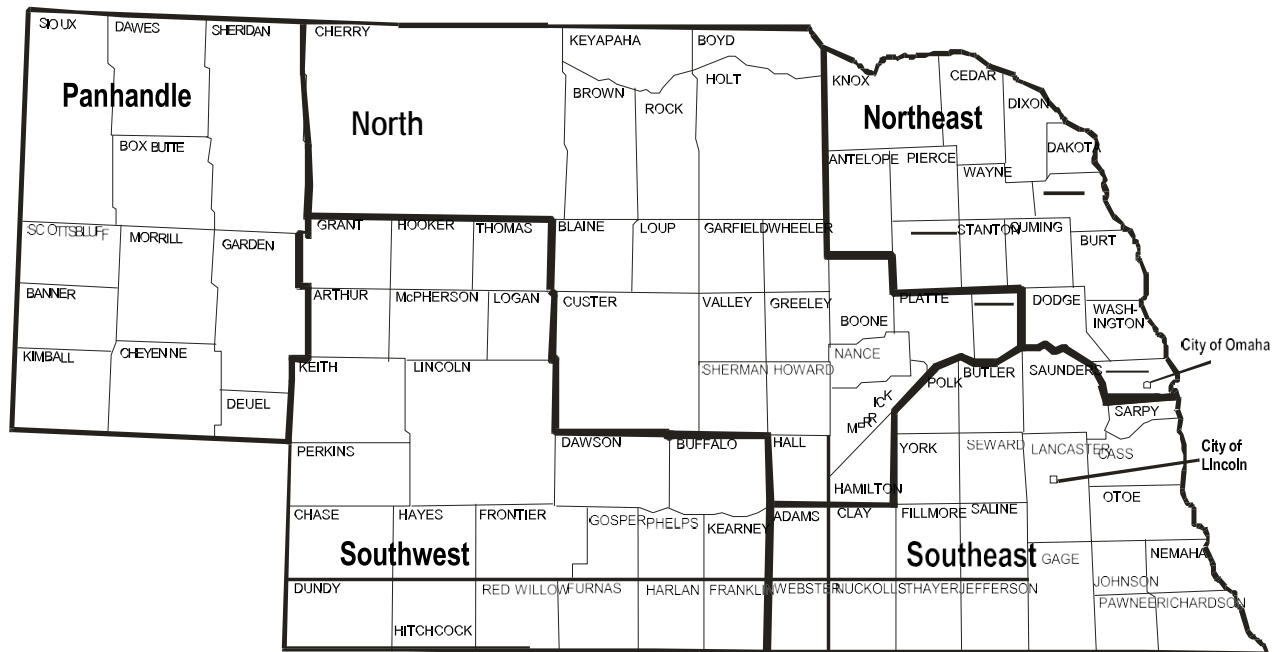
$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of affordability}} \times \text{Total direct HOME subsidy} = \text{Recaptured Amount}$$

The DED grantee would receive a recaptured amount of \$10,000.

$$\frac{5 \text{ years (homebuyer occupied the home)}}{10\text{-year affordability period}} \times \$20,000 \text{ HOME funds} = \$10,000 \text{ recaptured}$$

# NEBRASKA HOMELESS ASSISTANCE PROGRAM (NHAP) AND EMERGENCY SOLUTIONS GRANT (ESG) ADDITIONAL INFORMATION

## Continuum of Care Region



### 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 CoC on June 10, 2015**

**Nebraska Balance of State CoC**  
**WRITTEN STANDARDS FOR ESG/CoC**  
**SERVICE Delivery**

**Adopted by the Nebraska Balance of State CoC on June 10, 2015.**

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Each Emergency Solutions Grant (ESG) and Continuum of Care (CoC) funded service provider shall comply with the minimum written standards established by the Nebraska Balance of State Continuum of Care. Each provider may decide to set standards on their provision of ESG/CoC 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) and Continuum of Care (CoC) are:

- **Street Outreach** – People who are qualify as ‘unsheltered homeless,’ based on category (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 categories (1, 2, 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** – CoC and ESG funded rapid rehousing will follow the standards as set forth below. People who qualify as ‘homeless,’ based on categories (1 or 4) of the “homeless” definition found at 24 CFR 576.2 and/or 578.3 and who are 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 and CoC rules (24 CFR 576.104, 576.105, 576.106, 578.37, 578.51 and 578.77.). Persons who meet the ‘category 2’ homeless definition are eligible for CoC funded Rapid Rehousing provided the project was not funded under special NOFA conditions (reallocated projects) that limit eligibility to those living on the streets or in shelters. Additionally persons receiving rapid rehousing through the ESG program must have incomes at or below 30% of the area median income (AMI) at annual recertification:
  - **Housing Relocation and Stabilization Services:** *moving costs, rent application fees (ESG only), security deposits, last month’s rent, utility deposits, utility payments,(ESG only) 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 (arrearages covered under ESG only). Rent amount must not exceed HUD’s published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Each provider offering rapid rehousing must reevaluate the need for continued assistance every 90 days. Continued assistance will be provided for up to three (3) months at a time. Eligibility and income shall be reviewed no less frequently than annually. Participants in rapid rehousing are required to meet with case managers no less frequently than monthly.  
**NOT ALLOWABLE: Mortgage and mortgage arrearage payments.**
  
- **Homelessness Prevention** – People who qualify as ‘at risk of homelessness,’ based on categories (2 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.**

- **Transitional Housing.** Transitional housing facilitates the movement of homeless individuals and families to permanent housing within 24 months of entering the housing. Eligible persons for transitional housing meet the homeless definition based on categories 1, 2 and 4. Providers of transitional housing services shall arrange for or make available services to participants to assist them in securing permanent housing within specified time periods. Transitional housing may be provided in scatter site or single site locations. Individuals and families assisted in transitional housing shall be provided housing accommodations as well as a services program intended to address issues that may hinder the household from obtaining or maintaining stable long term housing.
- **Permanent Supportive Housing for Persons with Disabilities.** Eligible households include individuals with disabilities and families in which one adult or child has a disability. To be served households must also meet the definition of homelessness according to category 1 and 4. Supportive services designed to meet the needs of program participants must be made available to participants. Permanent supportive housing may be provided on a scatter site or single site basis using tenant based rental assistance, leasing or operating costs to support the operations of a supportive housing facility as well as supportive services to meet resident needs.

Any permanent support housing developed in the continuum of care is required to follow the Housing First model described in these standards.

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**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. However, all victim service providers are required to use a centralized or coordinated assessment system that meets HUDS's minimum requirements.
  - This shall include the use of a standardized assessment tool by all providers to determine the appropriate intervention to address the episode of homelessness and the prioritization of individuals and families for assistance based on the severity of their service needs and the length of time homeless.
  - Ongoing training and support will be provided to all CoC and ESG funded providers in the assessment, prioritization and placement process.
- 

#### PROGRAM COORDINATION:

Minimum standards for program coordination consist of on-going system and program coordination and integration of ESG and CoC funded activities to the maximum extent practicable with the following:

- a. Emergency shelter providers, essential services providers, homelessness prevention, transitional housing, permanent supportive housing and rapid rehousing assistance providers;
- b. Other homeless assistance providers, including:
  - 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).
- Every four years, the Balance of State CoC will engage in a procurement process to select the HMIS lead and to manage the HMIS system. The HMIS lead will be responsible for CoC, ESG, and NHAP HMIS activities. Continuity is a critical factor in a well-run HMIS system; therefore preference in the procurement may be granted to the existing provider.
- The HMIS provider will recommend to the CoC an HMIS software solution for the CoC.
- The HMIS lead is responsible for:
  - Maintaining and updating the HMIS data system

- Providing training and support to all HMIS users
  - Supporting a HMIS coordinator in each of the CoC's regions
  - Generating regular reports based on HMIS data including counts of homeless persons and performance reports on CoC and ESG funded providers.
  - Providing reports to HUD as required including the Annual Homelessness Assessment Report (AHAR).
  - The CoC has also designated the HMIS lead to assist in implementing the system of coordinated access to be used in the CoC.
- 

#### 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:

*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 24 CFR 5.609.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Individuals and families assisted under ESG are required to have annual incomes at or below 30% of Area Median. There are no income limits for CoC assistance but in all instances in which participants are charged rent or occupancy charges, the amount charged must be based on participant's verified annual income for all sources.

In verifying income, ESG and CoC funded providers are required to obtain third party verification whenever possible. Self-certification or verification is to be accepted only when all efforts have been made to obtain third party verification have not produced results.

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#### 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;
  - Behavioral health services;
  - Counseling;
  - Supervision; and
  - Other services needed for independent living.
- Other governmental and private assistance available to help with housing stability including:



- Medicaid;
  - Medicare
  - Supplemental Nutrition Assistance Program;
  - Women, Infants and Children (WIC);
  - Federal-State Unemployment Insurance Program;
  - Supplemental Security Income (SSI);
  - 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 after other remedies have been attempted.
  - **Due process rights for individuals and families facing program termination** – When an ESG or CoC funded homeless assistance program seeks to terminate participation for any household, 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 and to have representation. Any appeal of a decision shall be heard by an individual different from and not subordinate to the initial decision-maker; and
    - Prompt written notice of the final decision on the appeal.
  - **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.

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#### 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 and 578.75, 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 and transitional housing** – Providers shall not use ESG or CoC 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 and CoC 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:**

- No CoC board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.
  - **Conflicts prohibited** – No person involved with the ESG or CoC programs 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.

- o **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 and/or 578.95(d)(2)
- 

#### HOMELESS PARTICIPATION:

Minimum standards for homeless participation are:

- Each funded provider of CoC or ESG assistance must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or equivalent policymaking entity of the provider. (24 CFR 578.75(g))
- To the maximum extent possible, the provider shall involve homeless individuals and families in paid or volunteer work on the ESG or CoC funded facilities, in providing services under ESG or CoC and in providing services for occupants of ESG or CoC funded facilities (24 CFR 576.405 and 578.75).

#### FAITH-BASED ACTIVITIES:

Minimum standards for faith-based activities (24 CFR 576.406 and 578.87) are:

- Providers receiving ESG/CoC funding shall not engage in inherently religious activities as part of the ESG/CoC-funded programs or services. Such activities must be offered separately from ESG/CoC-funded programs and services and participation must be voluntary.
  - A religious organization receiving ESG/CoC funding retains independence from government and may continue with its mission provided that ESG/CoC funds are not used to support inherently religious activities. An ESG/CoC-funded organization retains its authority over its internal governance.
  - An organization receiving ESG/CoC funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
  - ESG/CoC 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/CoC-eligible activities.
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**PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION.** The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to any housing or shelter receiving funding from either ESG or CoC (578.93(e))

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#### NONDISCRIMINATION/EQUAL OPPORTUNITY/AFFIRMATIVE OUTREACH:

Minimum standards shall comply with the requirements for nondiscrimination, equal opportunity and affirmative outreach identified in §576.407 and 578.93(a-b).

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#### 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. Program income may not be used to meet matching funding requirements.

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**RECOVERED MATERIALS:**

Minimum standards for the procurement of recovered materials shall comply with the requirements identified in §576.407(f) and 578.99(b), 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.

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**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 and/or CoC shall comply with §576.408 and/or 578.83 and consist of:

**Minimizing displacement** - Consistent with ESG/CoC goals and objectives, the providers shall minimize displacing people as a result of ESG/CoC-funded projects.

**Temporary relocation not permitted** - No temporary relocation shall be required for an ESG/CoC-funded project. When a tenant has to move for an ESG/CoC-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/CoC-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/CoC 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.

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#### RECORDS & RECORDKEEPING:

Minimum standards shall ensure sufficient written records are established and maintained to enable the State and HUD to determine whether ESG/CoC requirements are being met and comply with §576.500 and 578.103, including the following:

- CoC records shall include the following documentation related to establishing and operating the Continuum of Care:
  - Evidence that the Board selected meets the requirements of 578.5(b);
  - Evidence that the CoC has been established and operated as set forth in subpart B of 24 CFR part 578 including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least every five years, evidence required for designating a single HMIS for the CoC, and monitoring reports of recipients and sub-recipients.
  - Evidence that the CoC has prepared the HUD application for funds in accordance with 578.9
- 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.
  - For CoC funded projects, acceptable evidence of homeless status as set forth in 576.500(b).
  - 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. This includes annual documentation of income for each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant.

- Determination and verification/certification that the only households served through permanent supportive housing meet HUD's requirements of having a family member be a person with disabilities.
  - 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 and/or 578.91.
  - 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 and 578) 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 or CoC grant

- Documentation showing ESG or CoC 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
  - Documentation of the receipt and use of matching funds
  - Copies of procurement contracts
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## 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, & 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. Assessment shall be based on the coordinated assessment process employed by the CoC.
- **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. Providers of shelter services are strongly encouraged not to discharge individuals and families who have not secured permanent housing and maintain those households in shelter until they can be placed in appropriate permanent housing.
- **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 category (1) of the “homeless” definition in 24 CFR 576.2 [ESG funded programs]
  - Meet the criteria under category (4) of the “homeless” definition in 24 CFR 576.2 and live in an emergency shelter or other place described in category (1) of the “homeless” definition. [ESG funded programs]
  - Program participant’s annual income, at annual review must be less than or equal to 30% of the Area Median Income [ESG Funded programs only]
  - Meet the federal requirements under categories 1, 2, or 4. (literally homeless, imminently losing primary nighttime residence, and fleeing domestic violence) for CoC funded projects
  - All participants must lack sufficient resources or support networks to retain housing without ESG or CoC assistance.
- **Homelessness Prevention (HP) ESG** – 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 category (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 category (2), or (4) of the “homeless” definition in 24 CFR 576.2.
- **Priority populations for Rapid Rehousing.**  
In providing rapid rehousing assistance, providers shall prioritize the following sub-populations:
  - Families with children;
  - Domestic violence survivors;
  - Single persons without long term disabilities; and
  - Veterans, especially those persons who have served in the US military but are not eligible for services from the Department of Veterans Affairs (VA) or who are unable to access services from the VA.

### 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.
- Participants are not required to contribute rent. Providers funded under ESG or CoC may pay up to 100 percent of the reasonable rent and utility costs for program participants. Providers may, at their discretion, choose to impose rental charges on participants. In the event that providers elect to charge rent or occupancy charges, these charges may not exceed those established in 24 CFR 578.77.
- 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.
- Approval for rental assistance shall be granted in three month increments. Providers must re-assess the continuing need for rental assistance before approving an additional three month increment. In no event will assistance under rapid rehousing exceed 24 months in any 36 month period.
- 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 [ESG only]** – 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 [ESG/CoC]** – Payment shall only be made for gas, electric, water and sewage deposits.
  - **Utility payments [ESG only]:**
    - 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 [ESG/CoC]** – reasonable one-time moving expenses are eligible.
- **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 [ESG only]** – 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. Assistance may NOT be provided for immigration and citizenship matters. Payment arrangements may NOT include retainer or contingency fee agreements. Eligible subject matters for legal services include: child support, guardianship, paternity, emancipation, legal separation, orders of protection for victims of domestic violence, appeal of benefit claim denials, landlord tenant disputes and resolution of outstanding criminal warrants. Only approved Legal Services provider through NHAP can provide ESG legal services.
- **Credit repair [ESG only]** – 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 (ESG only) 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 [ESG funded projects only – CoC not eligible]
- 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. [ESG only]
- Payment shall not exceed the Fair Market Rent established by HUD 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.
- 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 (ESG only).
- Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

- **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/CoC rental assistance

- **Project-Based Rental Assistance [ESG only]**

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 [ESG only]; and
- The participant shall lack sufficient resources and support networks necessary to retain housing without ESG/CoC assistance.

## TRANSITIONAL HOUSING STANDARDS

**ELIGIBILITY/PRIORITIZATION:**

Minimum standards for determining and prioritizing which eligible families and individuals shall receive transitional housing are:

- To be eligible for transitional housing people must: Meet the federal criteria under category (1), (2) or (4) of the "homeless" definition in 24 CFR 576.2

Transitional housing shall be prioritized to serve the following populations of eligible homeless people:

- Youth
- Persons seeking to continue recovery in recovery-focused housing
- Institutional re-entry (may not be eligible for CoC funding but needed from people leaving criminal justice and mental health facilities)



- Persons fleeing domestic abuse or violence where it is not possible to find units for rapid rehousing

#### LIMITATION ON OCCUPANCY

No individual or family may be assisted in transitional housing for a period in excess of 24 months. No person shall be discharged from transitional housing into homelessness as a result of this limitation. Transitional housing programs are expected to place individuals and families into permanent housing within 12 months. Programs that maintain participants for longer than 24 months or those with over half their participants remaining for over 12 months may have their funding discontinued.

#### PARTICIPANT CONTRIBUTION

Individuals and families residing in transitional housing are not required to pay rent. Providers of transitional housing may impose occupancy charges. If the provider elects to charge rent or occupancy charges, the charges may not exceed those specified in 578.77.

#### PROGRAM FEES

No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants.

#### OCCUPANCY AGREEMENTS

All individuals and families served in transitional housing must be provided an occupancy agreement for a minimum of a monthly term and which can be renewed provided that the household does not remain in transitional housing for longer than 24 months. The agreement must specify the requirements for program participation. With the exception of programs providing recovery focused services for persons with substance use disorders, residents in transitional housing may not be required to participate in disability related services. Participants may be required to participate in services that are not disability related and may discharge participants for failure to participate in these services. No person may be terminated from transitional housing without first being provided the right to appeal that decision in accordance with the due process provisions at 24 CFR 578.91(b)

### PERMANENT SUPPORTIVE HOUSING STANDARDS

#### ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive permanent supportive housing are:

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- To be eligible for permanent supportive housing people must: Meet the federal criteria under category (1) or (4) of the “homeless” definition in 24 CFR 576.2. Eligible households include individuals with disabilities and families in which one adult or child has a disability.
- **Priority populations for Permanent Supportive Housing.** In providing permanent supportive housing, providers shall prioritize the following populations:
  - Persons who are highly vulnerable with severe service needs;
  - Those who have been homeless for the longest period of time or who have had repeated episodes of homelessness over an extended period.
  - Veterans.
- **Order of priority in CoC program funded permanent supportive housing beds dedicated to persons experiencing chronic homelessness, and PSH beds prioritized for occupancy by persons experiencing chronic homelessness.**
  - First priority: chronically homeless individuals and families with the longest history of homelessness and with the most severe service needs.
  - Second priority: chronically homeless families and individuals with the longest history of homelessness.
  - Third priority: chronically homeless individuals and families with the most severe service needs.
- **Order of priority in permanent supportive housing beds not dedicated or prioritized for persons experiencing chronic homelessness:**
  - First priority: homeless individuals and families with a disability and the most severe service needs;
  - Second priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
  - Third priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
  - Fourth priority: homeless individuals and families with a disability coming from transitional housing.
- **Single, Prioritized Wait List for Permanent Supportive Housing**
  - The Balance of State CoC will establish a single, prioritized wait list for permanent supportive housing. The wait list will be prioritized according to the order of priority identified above. The single priority waitlist and referral process will allow CoC participants to exercise freedom of choice. Participants may be offered access to housing that is not within their home communities but shall not require participants to relocate in order to obtain housing assistance.
- **Housing First.** Providers of permanent supportive housing shall use the Housing First model as outlined below. Any new projects funded by the CoC must use the Housing First model. Any existing permanent supportive housing project that has indicated in application to HUD that it employs the Housing First model must follow the standards as set forth below. Existing permanent supportive housing projects that have not indicated Housing First are ‘grandfathered’ from this policy.

- **Housing First projects:**
  - Housing is not contingent on compliance with services – participants are provided with a standard one year lease agreement. The lease agreement can only be terminated in accordance with the State of Nebraska Uniform Residential Landlord and Tenant Act (76-1401 to 76-1449)
  - Participants are provided with services and supports to help maintain housing and prevent eviction.
  - There is no requirement for sobriety prior to being offered housing and admission shall not be conditioned on credit or background checks. Criminal backgrounds will be considered only to the extent necessary to protect safety and well-being.
  - Participants shall be given choice in their housing subject to program limitations.
  - Participants are not required to participate in services but providers are required to persistently and consistently seek to engage participants.
  - Providers are encouraged to support staff in implementing Evidence Based Practices that support Housing First (Critical Time Intervention, Motivational Interviewing, Stages of Change)
- Projects that are designated as Housing First shall be contractually obligated to follow these principles and will be subject to monitoring.
  - o Payment for rental assistance 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.
  - o Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
  - o Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner.
    - o Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

#### PARTICIPANT CONTRIBUTION

Individuals and families residing in permanent supportive housing are required to pay rent. Rent charges may not exceed those specified in 578.77.

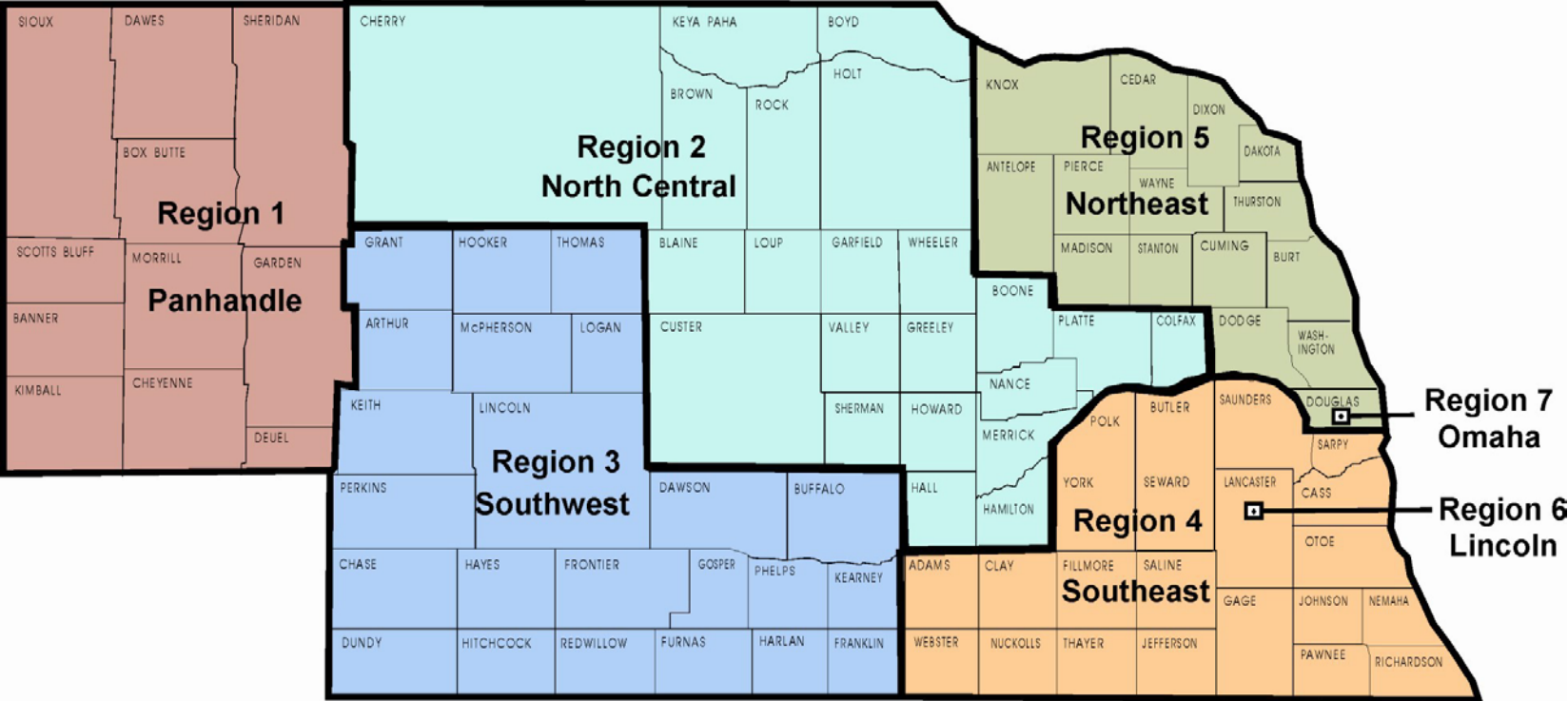
#### PROGRAM FEES

No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants

## 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

**Nebraska Balance of State CoC**  
**WRITTEN STANDARDS FOR ESG/CoC**  
**SERVICE Delivery**

**Adopted by the Nebraska Balance of State CoC on June 10, 2015.**

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Each Emergency Solutions Grant (ESG) and Continuum of Care (CoC) funded service provider shall comply with the minimum written standards established by the Nebraska Balance of State Continuum of Care. Each provider may decide to set standards on their provision of ESG/CoC 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) and Continuum of Care (CoC) are:

- **Street Outreach** – People who are qualify as ‘unsheltered homeless,’ based on category (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 categories (1, 2, 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** – CoC and ESG funded rapid rehousing will follow the standards as set forth below. People who qualify as ‘homeless,’ based on categories (1 or 4) of the “homeless” definition found at 24 CFR 576.2 and/or 578.3 and who are 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 and CoC rules (24 CFR 576.104, 576.105, 576.106, 578.37, 578.51 and 578.77,). Persons who meet the ‘category 2’ homeless definition are eligible for CoC funded Rapid Rehousing provided the project was not funded under special NOFA conditions (reallocated projects) that limit eligibility to those living on the streets or in shelters. Additionally persons receiving rapid rehousing through the ESG program must have incomes at or below 30% of the area median income (AMI) at annual recertification:

- **Housing Relocation and Stabilization Services:** *moving costs, rent application fees (ESG only), security deposits, last month’s rent, utility deposits, utility payments,(ESG only) 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 (arrearages covered under ESG only). Rent amount must not exceed HUD’s published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Each provider offering rapid rehousing must reevaluate the need for continued assistance every 90 days. Continued assistance will be provided for up to three (3) months at a time. Eligibility and income shall be reviewed no less frequently than annually. Participants in rapid rehousing are required to meet with case managers no less frequently than monthly.

**NOT ALLOWABLE: Mortgage and mortgage arrearage payments.**

- **Homelessness Prevention** – People who qualify as ‘at risk of homelessness,’ based on categories (2 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.**

- **Transitional Housing.** Transitional housing facilitates the movement of homeless individuals and families to permanent housing within 24 months of entering the housing. Eligible persons for transitional housing meet the homeless definition based on categories 1, 2 and 4. Providers of transitional housing services shall arrange for or make available services to participants to assist them in securing permanent housing within specified time periods. Transitional housing may be provided in scatter site or single site locations. Individuals and families assisted in transitional housing shall be provided housing accommodations as well as a services program intended to address issues that may hinder the household from obtaining or maintaining stable long term housing.
- **Permanent Supportive Housing for Persons with Disabilities.** Eligible households include individuals with disabilities and families in which one adult or child has a disability. To be served households must also meet the definition of homelessness according to category 1 and 4. Supportive services designed to meet the needs of program participants must be made available to participants. Permanent supportive housing may be provided on a scatter site or single site basis using tenant based rental assistance, leasing or operating costs to support the operations of a supportive housing facility as well as supportive services to meet resident needs.

Any permanent support housing developed in the continuum of care is required to follow the Housing First model described in these standards.

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#### 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. However, all victim service providers are required to use a centralized or coordinated assessment system that meets HUD's minimum requirements.
  - This shall include the use of a standardized assessment tool by all providers to determine the appropriate intervention to address the episode of homelessness and the prioritization of individuals and families for assistance based on the severity of their service needs and the length of time homeless.
  - Ongoing training and support will be provided to all CoC and ESG funded providers in the assessment, prioritization and placement process.
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#### PROGRAM COORDINATION:

Minimum standards for program coordination consist of on-going system and program coordination and integration of ESG and CoC funded activities to the maximum extent practicable with the following:

- a. Emergency shelter providers, essential services providers, homelessness prevention, transitional housing, permanent supportive housing and rapid rehousing assistance providers;
- b. Other homeless assistance providers, including:
  - 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.
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**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).
- Every four years, the Balance of State CoC will engage in a procurement process to select the HMIS lead and to manage the HMIS system. The HMIS lead will be responsible for CoC, ESG, and NHAP HMIS activities. Continuity is a critical factor in a well-run HMIS system ; therefore preference in the procurement may be granted to the existing provider.
- The HMIS provider will recommend to the CoC an HMIS software solution for the CoC.
- The HMIS lead is responsible for:
  - Maintaining and updating the HMIS data system

- Providing training and support to all HMIS users
  - Supporting a HMIS coordinator in each of the CoC's regions
  - Generating regular reports based on HMIS data including counts of homeless persons and performance reports on CoC and ESG funded providers.
  - Providing reports to HUD as required including the Annual Homelessness Assessment Report (AHAR).
  - The CoC has also designated the HMIS lead to assist in implementing the system of coordinated access to be used in the CoC.
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#### 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:

*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 24 CFR 5.609.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Individuals and families assisted under ESG are required to have annual incomes at or below 30% of Area Median. There are no income limits for CoC assistance but in all instances in which participants are charged rent or occupancy charges, the amount charged must be based on participant's verified annual income for all sources.

In verifying income, ESG and CoC funded providers are required to obtain third party verification whenever possible. Self-certification or verification is to be accepted only when all efforts have been made to obtain third party verification have not produced results.

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#### 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;
  - Behavioral health services;
  - Counseling;
  - Supervision; and
  - Other services needed for independent living.
- Other governmental and private assistance available to help with housing stability including:

- Medicaid;
  - Medicare
  - Supplemental Nutrition Assistance Program;
  - Women, Infants and Children (WIC);
  - Federal-State Unemployment Insurance Program;
  - Supplemental Security Income (SSI);
  - Social Security Disability Insurance (SSDI);
  - Child and Adult Care Food Program; and
  - Other available assistance.
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#### 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 after other remedies have been attempted.
  - **Due process rights for individuals and families facing program termination** – When an ESG or CoC funded homeless assistance program seeks to terminate participation for any household, 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 and to have representation. Any appeal of a decision shall be heard by an individual different from and not subordinate to the initial decision-maker; and
    - Prompt written notice of the final decision on the appeal.
  - **Ability to provide further assistance** – Termination will not bar the provider from providing later additional assistance to the same family or individual.
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#### 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.

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#### 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 and 578.75, 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 and transitional housing** – Providers shall not use ESG or CoC 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.
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#### CONFLICTS OF INTEREST:

Minimum standards for conflicts of interest are:

##### **Organizational conflicts of interest:**

- ESG and CoC 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:**

- No CoC board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.
  - **Conflicts prohibited** – No person involved with the ESG or CoC programs 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 and/or 578.95(d)(2)
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#### HOMELESS PARTICIPATION:

Minimum standards for homeless participation are:

- Each funded provider of CoC or ESG assistance must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or equivalent policymaking entity of the provider. (24 CFR 578.75(g))
- To the maximum extent possible, the provider shall involve homeless individuals and families in paid or volunteer work on the ESG or CoC funded facilities, in providing services under ESG or CoC and in providing services for occupants of ESG or CoC funded facilities (24 CFR 576.405 and 578.75).

#### FAITH-BASED ACTIVITIES:

Minimum standards for faith-based activities (24 CFR 576.406 and 578.87) are:

- Providers receiving ESG/CoC funding shall not engage in inherently religious activities as part of the ESG/CoC-funded programs or services. Such activities must be offered separately from ESG/CoC-funded programs and services and participation must be voluntary.
  - A religious organization receiving ESG/CoC funding retains independence from government and may continue with its mission provided that ESG/CoC funds are not used to support inherently religious activities. An ESG/CoC-funded organization retains its authority over its internal governance.
  - An organization receiving ESG/CoC funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
  - ESG/CoC 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/CoC-eligible activities.
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**PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION.** The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to any housing or shelter receiving funding from either ESG or CoC (578.93(e))

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#### NONDISCRIMINATION/EQUAL OPPORTUNITY/AFFIRMATIVE OUTREACH:

Minimum standards shall comply with the requirements for nondiscrimination, equal opportunity and affirmative outreach identified in §576.407 and 578.93(a-b).

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#### 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. Program income may not be used to meet matching funding requirements.

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#### RECOVERED MATERIALS:

Minimum standards for the procurement of recovered materials shall comply with the requirements identified in §576.407(f) and 578.99(b), 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.

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**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 and/or CoC shall comply with §576.408 and/or 578.83 and consist of:

**Minimizing displacement** – Consistent with ESG/CoC goals and objectives, the providers shall minimize displacing people as a result of ESG/CoC-funded projects.

**Temporary relocation not permitted** - No temporary relocation shall be required for an ESG/CoC-funded project. When a tenant has to move for an ESG/CoC-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/CoC-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/CoC 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.

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#### RECORDS & RECORDKEEPING:

Minimum standards shall ensure sufficient written records are established and maintained to enable the State and HUD to determine whether ESG/CoC requirements are being met and comply with §576.500 and 578.103, including the following:

- CoC records shall include the following documentation related to establishing and operating the Continuum of Care:
  - Evidence that the Board selected meets the requirements of 578.5(b);
  - Evidence that the CoC has been established and operated as set forth in subpart B of 24 CFR part 578 including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least every five years, evidence required for designating a single HMIS for the CoC, and monitoring reports of recipients and sub-recipients.
  - Evidence that the CoC has prepared the HUD application for funds in accordance with 578.9
- 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.
  - For CoC funded projects, acceptable evidence of homeless status as set forth in 576.500(b).
  - 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. This includes annual documentation of income for each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant.

- Determination and verification/certification that the only households served through permanent supportive housing meet HUD's requirements of having a family member be a person with disabilities.
  - 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 and/or 578.91.
  - 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 and 578) 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 or CoC grant

- Documentation showing ESG or CoC 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
  - Documentation of the receipt and use of matching funds
  - Copies of procurement contracts
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## 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, & 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. Assessment shall be based on the coordinated assessment process employed by the CoC.
- **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. Providers of shelter services are strongly encouraged not to discharge individuals and families who have not secured permanent housing and maintain those households in shelter until they can be placed in appropriate permanent housing.
- **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 category (1) of the “homeless” definition in 24 CFR 576.2 [ESG funded programs]
  - Meet the criteria under category (4) of the “homeless” definition in 24 CFR 576.2 and live in an emergency shelter or other place described in category (1) of the “homeless” definition. [ESG funded programs]
  - Program participant’s annual income, at annual review must be less than or equal to 30% of the Area Median Income [ESG Funded programs only]
  - Meet the federal requirements under categories 1, 2, or 4. (literally homeless, imminently losing primary nighttime residence, and fleeing domestic violence) for CoC funded projects
  - All participants must lack sufficient resources or support networks to retain housing without ESG or CoC assistance.
- **Homelessness Prevention (HP) ESG** – 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 category (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 category (2), or (4) of the “homeless” definition in 24 CFR 576.2.
- **Priority populations for Rapid Rehousing.**  
In providing rapid rehousing assistance, providers shall prioritize the following sub-populations:
  - Families with children;
  - Domestic violence survivors;
  - Single persons without long term disabilities; and
  - Veterans, especially those persons who have served in the US military but are not eligible for services from the Department of Veterans Affairs (VA) or who are unable to access services from the VA.

### 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.
- Participants are not required to contribute rent. Providers funded under ESG or CoC may pay up to 100 percent of the reasonable rent and utility costs for program participants. Providers may, at their discretion, choose to impose rental charges on participants. In the event that providers elect to charge rent or occupancy charges, these charges may not exceed those established in 24 CFR 578.77.
- 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.
- Approval for rental assistance shall be granted in three month increments. Providers must re-assess the continuing need for rental assistance before approving an additional three month increment. In no event will assistance under rapid rehousing exceed 24 months in any 36 month period.
- 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 [ESG only]** – 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 [ESG/CoC]** – Payment shall only be made for gas, electric, water and sewage deposits.
- **Utility payments [ESG only]:**
  - 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 [ESG/CoC]** – reasonable one-time moving expenses are eligible.

- **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 [ESG only]** – 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. Assistance may NOT be provided for immigration and citizenship matters. Payment arrangements may NOT include retainer or contingency fee agreements. Eligible subject matters for legal services include: child support, guardianship, paternity, emancipation, legal separation, orders of protection for victims of domestic violence, appeal of benefit claim denials, landlord tenant disputes and resolution of outstanding criminal warrants. Only approved Legal Services provider through NHAP can provide ESG legal services.
- **Credit repair [ESG only]** – 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 (ESG only) 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 [ESG funded projects only – CoC not eligible]
- 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. [ESG only]
- Payment shall not exceed the Fair Market Rent established by HUD 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.
- 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 (ESG only).
- Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

- **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/CoC rental assistance

- **Project-Based Rental Assistance [ESG only]**

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 [ESG only]; and
- The participant shall lack sufficient resources and support networks necessary to retain housing without ESG/CoC assistance.

## TRANSITIONAL HOUSING STANDARDS

#### ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive transitional housing are:

- To be eligible for transitional housing people must: Meet the federal criteria under category (1), (2) or (4) of the “homeless” definition in 24 CFR 576.2

Transitional housing shall be prioritized to serve the following populations of eligible homeless people:

- Youth
- Persons seeking to continue recovery in recovery-focused housing
- Institutional re-entry (may not be eligible for CoC funding but needed from people leaving criminal justice and mental health facilities)

- Persons fleeing domestic abuse or violence where it is not possible to find units for rapid rehousing

#### LIMITATION ON OCCUPANCY

No individual or family may be assisted in transitional housing for a period in excess of 24 months. No person shall be discharged from transitional housing into homelessness as a result of this limitation. Transitional housing programs are expected to place individuals and families into permanent housing within 12 months. Programs that maintain participants for longer than 24 months or those with over half their participants remaining for over 12 months may have their funding discontinued.

#### PARTICIPANT CONTRIBUTION

Individuals and families residing in transitional housing are not required to pay rent. Providers of transitional housing may impose occupancy charges. If the provider elects to charge rent or occupancy charges, the charges may not exceed those specified in 578.77.

#### PROGRAM FEES

No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants.

#### OCCUPANCY AGREEMENTS

All individuals and families served in transitional housing must be provided an occupancy agreement for a minimum of a monthly term and which can be renewed provided that the household does not remain in transitional housing for longer than 24 months. The agreement must specify the requirements for program participation. With the exception of programs providing recovery focused services for persons with substance use disorders, residents in transitional housing may not be required to participate in disability related services. Participants may be required to participate in services that are not disability related and may discharge participants for failure to participate in these services. No person may be terminated from transitional housing without first being provided the right to appeal that decision in accordance with the due process provisions at 24 CFR 578.91(b)

## PERMANENT SUPPORTIVE HOUSING STANDARDS

#### ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive permanent supportive housing are:

- To be eligible for permanent supportive housing people must: Meet the federal criteria under category (1) or (4) of the “homeless” definition in 24 CFR 576.2. Eligible households include individuals with disabilities and families in which one adult or child has a disability.
- **Priority populations for Permanent Supportive Housing.** In providing permanent supportive housing, providers shall prioritize the following populations:
  - Persons who are highly vulnerable with severe service needs;
  - Those who have been homeless for the longest period of time or who have had repeated episodes of homelessness over an extended period.
  - Veterans.
- **Order of priority in CoC program funded permanent supportive housing beds dedicated to persons experiencing chronic homelessness, and PSH beds prioritized for occupancy by persons experiencing chronic homelessness.**
  - First priority: chronically homeless individuals and families with the longest history of homelessness and with the most severe service needs.
  - Second priority: chronically homeless families and individuals with the longest history of homelessness.
  - Third priority: chronically homeless individuals and families with the most severe service needs.
- **Order of priority in permanent supportive housing beds not dedicated or prioritized for persons experiencing chronic homelessness:**
  - First priority: homeless individuals and families with a disability and the most severe service needs;
  - Second priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
  - Third priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
  - Fourth priority: homeless individuals and families with a disability coming from transitional housing.
- **Single, Prioritized Wait List for Permanent Supportive Housing**
  - The Balance of State CoC will establish a single, prioritized wait list for permanent supportive housing. The wait list will be prioritized according to the order of priority identified above. The single priority waitlist and referral process will allow CoC participants to exercise freedom of choice. Participants may be offered access to housing that is not within their home communities but shall not require participants to relocate in order to obtain housing assistance.
- **Housing First.** Providers of permanent supportive housing shall use the Housing First model as outlined below. Any new projects funded by the CoC must use the Housing First model. Any existing permanent supportive housing project that has indicated in application to HUD that it employs the Housing First model must follow the standards as set forth below. Existing permanent supportive housing projects that have not indicated Housing First are ‘grandfathered’ from this policy.

- **Housing First projects:**
  - Housing is not contingent on compliance with services – participants are provided with a standard one year lease agreement. The lease agreement can only be terminated in accordance with the State of Nebraska Uniform Residential Landlord and Tenant Act (76-1401 to 76-1449)
  - Participants are provided with services and supports to help maintain housing and prevent eviction.
  - There is no requirement for sobriety prior to being offered housing and admission shall not be conditioned on credit or background checks. Criminal backgrounds will be considered only to the extent necessary to protect safety and well-being.
  - Participants shall be given choice in their housing subject to program limitations.
  - Participants are not required to participate in services but providers are required to persistently and consistently seek to engage participants.
  - Providers are encouraged to support staff in implementing Evidence Based Practices that support Housing First (Critical Time Intervention, Motivational Interviewing, Stages of Change)
- Projects that are designated as Housing First shall be contractually obligated to follow these principles and will be subject to monitoring.
  - o Payment for rental assistance 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.
  - o Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
  - o Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner.
    - o Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

## PARTICIPANT CONTRIBUTION

Individuals and families residing in permanent supportive housing are required to pay rent. Rent charges may not exceed those specified in 578.77.

## PROGRAM FEES



No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants

## 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 Application Guidelines. In general, the OOR section will include a section for Need/Impact; Collaboration; Readiness/Capacity; and Match 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) and achievement section. The MEF score will be calculated for each applicant and will be added to the total application score within the CDBG OOR Cycle. The Achievement section is based on the community being a Leadership Community or Economic Development Certified Community.

The maximum grant amount for CDBG OOR activities will be in an amount up to \$450,000 per community. Total 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 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 project costs (also known as CDBG project activity costs) or \$25,000, whichever is less. Housing Management activities may not exceed 10% of project costs or \$45,000, whichever is less.

For the current Program Year, \$3,100,000 in CDBG funds will be allocated for CDBG OOR activities.

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 625 points. A minimum score of 200 points is required. Need/Impact and Readiness/Capacity will each have a minimum threshold of 50 points, with the entire application having an overall threshold minimum of 200 points in order for the application to receive funding. Failure of the Applicant to score a minimum number of total points on the application and minimum need/impact and readiness/capacity sections will result in the Application not being funded during the current CDBG OOR Cycle.

Selection Criteria	Maximum	Overall Threshold Minimum
1. Need/Impact	175	50
2. Collaboration	100	-
3. Readiness/Capacity	175	50
4. Match	50	-
5. Municipal Equalization Fund (MEF) Score	100	-
6. Achievement	25	-
<b>Total</b>	<b>625 points</b>	<b>200 points</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 CDBG Application Guidelines and available on the Department's website at: <https://opportunity.nebraska.gov/community/grants/applications>

1. *Need/Impact*: Up to 175 points is 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 need/impact will be compared to other applicants.

- Describe the local need for the proposed CDBG project.
- Describe the public participation process and the specific action steps taken for public involvement that were used to identify and address community needs and allocate resources.
- Describe any interest from potential beneficiaries and provide information on a waiting list, if there is a current list.
- Describe how the proposed project impacts the targeted community(ies), region, and/or service area.
- Describe other community development activities (both public and private) in the community. Provide specific example, such as infrastructure, libraries, community center, medical clinic, etc.
- Describe the overall employment opportunities in the project area for the persons served by the proposed CDBG project. How does in-out migration impact the service area?
- Describe planning efforts and any shared municipal services in the community.
- Describe any nuisance abatement, ordinances, codes, or other enforcement programs in the community.

Points in this section include:

- 0-45—no clear description of the need/impact for the project.
- 50-120— reasonably defined need/impact that is average compared to other applicants.
- 125-175— above average description of need/impact.

2. *Collaboration*: Up to 100 points is possible. No minimum points in this section are required in order to meet threshold. The level of collaboration will be compared to other applicants ***If the housing management organization has already been procured (Exhibit K1a/b or K2), please include in your answer the readiness and capacity of that organization in the below questions.***

- Describe the collaboration, community support, and partnerships that it takes to manage a project on a local level, including any previous projects.
- Describe the relationships that the unit of local government has with contractors, consultants and other professionals it uses for its CDBG projects.
- Identify current partnerships that will allow an owner occupied rehabilitation program to be successful in your community.
- Describe the level of support from the community to create an owner occupied rehabilitation program.

- Describe how any partners are involved in the project, pre-development, and post-award and how they assist in timely completion of the applicant’s proposed CDBG project.

Points in this section include:

- 0-25—no clear description of collaboration for the project.
- 30-70— reasonably defined collaboration that is average compared to other applicants.
- 75-100— above average description of collaboration.

**3. Readiness/Capacity:** Up to 175 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 readiness/capacity by the community will be scored as compared to other applicants. ***If the housing management organization has already been procured (Exhibit K1a/b or K2), please include in your answer the readiness and capacity of that organization in the below questions.***

- Describe the stability/continuity of the unit of local government city council/board members over the last 3 years.
- Describe the unit of local government’s strategic plan/comprehensive plan for housing development. If the local unit of government has a plan, please describe and provide the current status of the housing development indicated in the plan.
- Describe how the unit of local government has demonstrated the ability to make timely decisions. Describe, if funded, the oversight of the Owner Occupied Rehabilitation program. Describe the reporting process of the CDBG Administrator on the CDBG project.
- Describe the key roles and responsibilities of the applicant’s staff for this project (**MUST include the CDBG Administrator staff**).
- Describe how the unit of local government will ensure timely payments of project costs.
- Describe how the unit of local government will meet the **housing** needs of the community served without DED assistance.
- Anticipated staff changes, including but not limited to: promotions, new hires, programs, full-time to part time and vice versa, and retirements.
- Describe the staff training plan of the unit of local government.
- Provide a list of any consultants or services needed for this project and describe the detailed procurement process required.
- Describe the DED funded housing projects implemented over the past 5 years. Include the number of units.
- Describe the Non-DED funded housing projects implemented over the past 5 years. Include the number of units and identify the funding used.
- Provide a list of Grantee-requested contract extensions (that were not due to DED-related delays) on any housing projects for years 2013, 2014, and 2015, including the reason the extension was requested.
- 

Points in this section include:

- 0-45—no clear description of the need/impact for the project.
- 50-120— reasonably defined need/impact that is average compared to other applicants.
- 125-175— above average description of need/impact.

4. *Match*: Up to 50 points possible. Match is not required. No minimum points in this section are required in order to meet threshold. Points will be awarded to applicants based on the amount of match provided. 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 activities. 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. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project cost
25 points	5-9.99% of total project costs
10 points	3-4.99% of total project costs
0 points	Less than 3% of total project cost

5. *MEF*: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. **Narrative is not required under this section.**
6. *Achievements*: Up to 25 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:
- Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://opportunity.nebraska.gov/community/community-info/community-data>.  
**25 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://opportunity.nebraska.gov/community/community-info/community-improvement>.  
**25 bonus points**

*In addition, also note that the achievement section is optional; projects can be funded in communities not awarded points. These points may bolster an application’s score as compared to other applicants, as requested funding amounts often exceed available resources.*

**SUMMARY OF MILESTONES/TIMELINE**

Below is a summary of the milestones to be completed during a CDBG OOR project.

Milestone Summary	Date
Pre-Application Due	August 3
Full Application Due	October 5
Anticipated Award Notification	November 2018

## ***Comprehensive Development (CD) Program Category***

### *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.

### **HOW AND WHAT PROJECTS MAY BE ASSISTED:**

#### *Distribution of Comprehensive Development Category Funds:*

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II.

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.”

Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization 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 multi-purpose nature designed to provide public recreational and social activities;
- Nonprofit centers for daycare, 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 considered eligible as *public facilities*;

- Removal of architectural barriers for accessibility;
- Water distribution system improvements
  - Only where system service connections are or will be metered;
- Sanitary sewer collection system improvements
  - Lines on private property are eligible under LMH national objective;
- Bridge improvements;
- 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 (e.g. 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;
- Loans to businesses located in the designated downtown business district
  - for façade improvements and/or
  - to improve deficiencies in meeting community codes;
- Historic restoration, rehabilitation, housing conversion of upper stories, and preservation for physical structures, and infrastructure in a defined downtown business district; and
- Acquisition, clearance, and code enforcement
  - *NOTE: These activities may be undertaken when in support of the abovementioned activities.*

For more information, see *Section 3.04* of the Application Guidelines. Restrictions are identified in *Section 3.03*.

There are two “options” for applying for an award under Year 2: (A) where activities are continuation of those approved and included in the Year 1 contract and (B) where activities are expanded beyond those approved in Year 1 with the additional caveat that ***housing activities are generally not allowed under Year 2 unless they were incorporated in Year 1***. See Section B Part V and *Section 5.03* for additional information and further explanation.

### *CDBG National Objectives*

All CD projects funded, priority will be given to meet the LMI National Objective of the CDBG Program during the 2018 Program Year.

Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele);

### *Grant Amount and Matching/Leverage*

The maximum grant amount for CD activities was \$30,000 for Phase I (pre-development), and was funded during the previous Program Year. Up to \$780,000 for Phase II (implementation) with \$350,000 being provided during the first allocation of implementation funding and \$430,000 being provided for the second allocation of funding.

Funding Phase	CDBG Maximum Project Costs
Phase I – Predevelopment	
Program Year 2016	\$30,000
Phase II – Implementation	
Year 1 – Program Year 2017	\$350,000
Year 2 – Program Year 2018	\$430,000
<b>Maximum Total CDBG Investment</b>	<b>\$810,000</b>

For more detailed information, see *Section 4.01* of the Application Guidelines.

For the current Program Year, \$2,500,000 in CDBG funds will be allocated for CD activities only within those communities previously selected for Phase I and Phase II resources that include: Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, and York related to the second implementation allocation.

For Phase II, all activities, except for General Administration, Housing Management, and Construction Management, would require a 25% match and 25% 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.

Funding Phase	Match	Leverage
Phase I – Predevelopment	25%	25%
Phase II – Implementation	25%	25%
	or	
	50%	0%

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 \$35,000 or 10% of the CDBG grant award, whichever less. The Housing Management activity cannot exceed 10% of the housing activities cost or \$35,000 whichever is less. The Construction Management Activity cannot exceed \$10,000. These amounts are in additions to the CDBG CD funds grant award for each city. General Administration, Housing Management, and Construction 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.

**EXAMPLES OF MATCH AND LEVERAGE FOR PHASE II IMPLEMENTATION**

Because 25% match and 25% leverage is required for CD Phase II projects, this would mean that for every dollar spent, \$0.50 of the project costs are allowable from CDBG and \$0.50 from local funds (match and leverage). For example, a project receiving \$430,000 in CDBG and maximum allowable costs for general administration, housing management, and construction management would allow for \$350,000 in CDBG funds for CD project activities and \$68,000 would be required as match and leverage respectively (see table below).

CD Phase II Implementation Example							
(A)	(B)	(C)	(D)	(E)	(F)		(G)
Maximum Total CDBG Award	0380 Construction Mgmt (\$10k MAX)	0580 Housing Administration (MAX 10% of housing project costs or whichever is less)	0181 General Administration (MAX 10% grant award or whichever is less)	0180 Total Non-Admin Costs [A-(B+C+D)]	Local cost-share		1000 Total Program Costs [A+F]
					Match [E*25%]	Leverage [E*25%]	
\$430,000	\$10,000	\$35,000	\$35,000	\$350,000	\$87,500	\$87,500	\$605,000

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.

**THRESHOLD AND REVIEW CRITERIA FOR SUBMITTING CD APPLICATION, APPLICANT**

## SUBMISSION, AND GRANTEE SELECTION:

For the current program year, CD resources are only available to those communities previously selected for Phase I and Phase II Year 1; this includes Columbus, Fremont, Kearney, Nebraska City, Norfolk, Wayne, and York. Phase II Year 1 grants should be in good standing to be considered for Year 2. Target areas are identified within Phase I and carried through Phase II.

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.
- 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.

Special policies affecting thresholds for selection are:

1. The **Citizen Participation Plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application, where applicable, must have and follow a citizen participation plan. The plan must provide for:
  - a. Proper notice and access to all meetings and project records;
  - b. Technical assistance on request to group's representative of LMI persons;
  - c. A **minimum of two public hearings**, each at a different stage of the program, for the purpose of obtaining citizen's views, responding to proposals and questions specifically during the:

- 1) Application phase – the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching and leverage funds, if any, and the applicant’s plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and
- 2) Implementation phase – the hearing(s) must review project/program performance and summarize any relevant updates or changes through the process, in supplement to any hearings held in accordance with the contract amendment request process.

The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant’s jurisdiction and the application must be available for public inspection at each locality.

- d. A process for responding to complaints and grievances within 15 working days; and
- e. The needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.

2. The **Residential Anti-Displacement and Relocation Assistance Plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities which will result in demolition or in the conversion of an LMI unit to a use other than LMI housing. The plan must contain two components (a) one-for-one replacement unit requirement, and (b) a relocation assistance component.

- a. **One-For-One Replacement** unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.

- 1) An LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.
- 2) A “vacant occupiable dwelling unit” is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.
- 3) A unit is “standard condition” is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.
- 4) A unit “suitable for rehabilitation” is defined for purposes of this certification as a unit whose estimated repair, rehabilitation, weatherization, and/or general improvement costs do not exceed one-half of its replacement value after rehabilitation. The local government may use their own definition for “suitable for rehabilitation” provided such definition is made public and DED determines the definition to be acceptable.
- 5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:

- Located within the same jurisdiction;
  - Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
  - Provided in standard condition or brought up to a standard condition; and
  - Designed to remain LMI for ten (10) years.
  - Replacement units may include public housing and housing with Section 8 project-based assistance.
- 6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
- The activity – the location and number of units by bedroom size;
  - The proposed demolition or conversion schedule;
  - The number and placement of replacement units and their size;
  - The source of funding and time schedule for replacement units; and
  - The basis for concluding that each replacement unit will remain a LMI unit for 10 years.
- b. **Relocation Assistance** must be provided to each LMI family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

3. The **procurement process** for consultant selection must be outlined in accordance with *Section 5.05 (3) Competitive Proposals*. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR 200.300–345.

Grantees must establish and maintain effective internal control over the CDBG award, providing reasonable assurance that all parties involved are in compliance with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award.

*Overall, recipients of CDBG funds are responsible for ensuring **competitive procurement** for goods and services, in accordance with established rules and regulations using **full and open competition**. Complete documentation of this process is required.*

In specific instances, Exhibit K may be required at the time of application along with related supplemental documentation. **NOTE:** there may be instances where the applicant submits more than one such exhibit, for example when separately procured consulting firms provide general administrative and planning activities.

Applicants shall complete **Exhibit K1a/b** if this process as described in *Section 5.05* will not be used. The applicant must state why and identify and describe the process used for selecting a consultant. This also includes the process used for selecting of the consultant that implements the project. **Exhibit K2** shall be completed if the procurement process is completed prior to submission of

application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

Supplemental materials must be provided that clearly demonstrate the applicant community carried out the procurement process, this includes documentation that a reasonable number of appropriate firms were contacted directly and in a meaningful manner. Documentation must also include a narrative indicating the method of procurement, reasoning for selecting that method, how and by whom the procurement process was carried out, and any other pertinent information about the procurement process, including a description of how the applicant made meaningful contact to a reasonable number of appropriate firms (e.g. five). As an example, meaningful contact may involve an applicant sending the request for proposal directly to firms known to complete the scope of work and follow up with a phone call or email that confirms receipt of the request.

**WARNING:** With the exception of contracts for general administration services, **DO NOT execute any contract for goods or services prior to the Department issuing a written Notice of Release of Funds and Environmental Clearance.** This includes contracts related to project costs or supporting project costs (construction management and housing management).

Below is the Selection Criteria Matrix that will be utilized within the CD program category for the second allocation of Phase II resources:

Selection Criteria Matrix – CDBG CD Category: Phase II Implementation		
Item	Criteria	Points Possible
1.	Project Design	<i>Threshold: 150 points</i> 300
2.	Project Readiness	<i>Threshold: 100 points</i> 200
3.	Community Support	<i>Threshold: 100 points</i> 200
<b>Total points</b>		<b>700</b>
4.	On-Site Review ( <i>Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.</i> )	

For more information about on-site reviews, and for a detailed list and full description of each of selection criteria, see *Section 5.03* of the Application Guidelines.

Applicants meeting required thresholds for eligibility and review may submit a Phase II (implementation) application through TBD.

**1. Project Need:** Up to 200 points is possible. Applicant must earn a minimum of 100 in this section to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local 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, based on past efforts to resolve the problem and meet community needs.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-200—well-defined, above average

The application narrative shall be scored for clear and concise explanations of:

(a) The overall purpose of the project and illustration of the severity of identified problems in community;

(b) Demonstration of the capacity and commitment to successfully implement changes or project as a result of the planning process;

(c) Discussion of past efforts (planning or otherwise) to resolve the problem and meet community needs.

A strong narrative may identify or include 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) and/or other analysis. This should include an explanation of the overall purpose on the project application and information that illustrates the severity of the community's problems.

Community involvement and participation is a fundamental part of any successful project and is required as part of the CDBG application process (see *Section 5.02(c)* 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 respond to the proposed project. Existing capital improvement, comprehensive, economic development, housing, or other community development 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 need 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. Applicant must earn a minimum of 100 in this section 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.***

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-200—well defined, above average

The application narrative shall be scored for clear and concise description of:

- (a) Clearly defined goals and objectives to address the identified community problems;
- (b) How the completed planning activities will benefit the community, especially low- and moderate-income and special needs persons;
- (c) 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;
- (d) Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

A strong narrative in this section will provide a clear nexus between the problem statement provided under Project Need and outcome described under Project Impact.

**3. Project Readiness:** Up to 200 points is possible. Applicant must earn a minimum of 100 in this section to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy and/or work plan for solutions to the problems/needs and impact as defined in the above sections; project readiness; and financial and operational capacity of the community.

Points in this section include:

- 0-75 points—inadequately defined, below average  
Lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the project, no clear evidence of commitment to proceed with implementation upon completion of Phase I predevelopment.
- 80-150—reasonably defined, average compared to other applicants  
Local capacity demonstrated through past projects, past neighborhood and/or community improvement efforts, citizen participation, and evidence of a commitment to proceed with

implementation of neighborhood revitalization plan, demonstrated by organized interest groups and participation of community betterment and/or neighborhood organizations.

- 155-200—well defined, above average  
Significant local capacity demonstrated and strong evidence of a commitment to proceed with implementation of neighborhood revitalization plan, upon completion of Phase I.

The application narrative shall be scored for detailed description of the planning activities and methodology (e.g. work plan) for achieving the goals and objectives as outlined under the Project Impact section, this narrative should list and describe the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity;

4. Community Support: Up to 200 points possible. Applicant must earn a minimum of 100 in this section to meet threshold. Describe the level of commitment and support from both public and private organizations for the predevelopment phase, and the potential support and community involvement for the implementation phase.

Points in this section include:

- 0-75 points—inadequately defined, below average  
No evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
- 80-150—reasonably defined, average compared to other applicants  
Some evidence from the community that it will commit resources and support neighborhood revitalization efforts. This may include letters of support; letters of intent from community members, businesses, and/or partners to commit resources; financial commitments from businesses and partners; or other such evidence of support for the project from the general and/or business community.
- 155-200—well defined, above average  
Significant evidence from the community that it will commit resources and support neighborhood revitalization efforts.

The application narrative shall be scored for detailed description of the citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness has been and will be included in the process for the project.

Upon application submittal to the Department, all Phase II applications will be reviewed for the above mentioned criteria. The intent is to utilize a simplified application that will allow communities to move from the first implementation allocation to the second allocation.



**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).

**SUMMARY OF MILESTONES/TIMELINE**

Below is a summary of the milestones that would be completed during a CDBG CD project.

<b>Milestone Summary</b>	<b>Dates</b>
Full Application submitted to DED	September 15, 2018
Communities selected/awarded CDBG CD Resources	Fall 2018

## ***Downtown Revitalization (DTR) Program Category***

### **DOWNTOWN REVITALIZATION PROGRAM CATEGORY– STATE OBJECTIVE:**

The purpose of the Downtown Revitalization Category is to foster investments that will contribute to the revitalization or redevelopment of downtown infrastructure and develop a greater capacity for growth, addressing health and safety concerns and commercial revitalization within the traditional business centers of our Nebraska communities. This provides a sound basis for fostering local economic development through public and private sector partnerships. 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. These projects directly relate to business retention, expansion, and location decisions, recognizing that downtowns reflect the economic core and persona of our communities.

Activities assist communities to implementation of comprehensive downtown revitalization plan in order to stabilize and enhance clearly defined downtown areas, providing benefit to low- and moderate-income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

DTR resources are for implementation of the project (i.e. physical improvements to the built environment); such funds become available to the applicant upon successful completion of the requirements of a downtown revitalization predevelopment/planning study. Because responsible, intelligent implementation arises from well-informed planning processes, applicant must make available their DTR study prior to, or along with the application for DTR resources. Applicants interested in applying for the predevelopment/planning phase do so by applying within the CDBG Planning Category cycles. Use of CDBG resources for planning activities is not required to access DTR resources.

The maximum grant amount for downtown revitalization activities will be \$400,000, exclusive of supporting project and administrative costs. For the current program year, **activities must meet the primary national objective of benefiting low- and moderate-income persons.**

### **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 implementation projects that meet required National and State CDBG objectives. Projects will be carried out in two phases. ***DTR resources for Implementation are only available for communities that can demonstrate and provide a completed pre-development planning study for downtown revitalization.*** This includes, but is not limited to, "Phase I" applicants from the 2015 and 2016 Program Years as well those that successfully completed downtown revitalization planning studies with or without the use of CDBG resources. This is a competitive

program. For more information about special policies for DTR applicants, see *Section 5.01* of the Application Guidelines.

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). Eligible units of general local government may apply individually for DTR activities. See the “Threshold Requirements” for specific thresholds that are also considered in determining eligibility.

Applications must be submitted according to the provisions stated in *Section 1.01* through *Section 1.03* of the 2018 DTR Application Guidelines. Applicants applying for pre-development planning meeting required thresholds for eligibility and review may submit applications through the Planning Category cycle, see Chapter 6 – Planning. DTR resources are for implementation of a downtown revitalization project; such funds become available to the applicant upon successful completion of the requirements of a downtown revitalization pre-development study. Use of CDBG PP resources is not required for carrying out the downtown revitalization planning process; however, a copy of the final planning document must be provided for review in any case to apply for consideration of DTR resources.

*Eligible Activities generally include:*

- Pre-development studies (completed in Planning Category)
- 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

## **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.

## **COMPLIANCE WITH CDBG NATIONAL OBJECTIVE REQUIREMENTS**

All DTR projects funded, and CDBG-funded project activities, must meet the National Objectives of the CDBG Program. Benefit to LMI:

- 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 one of these specified national objectives is ineligible for CDBG resources.

## **GRANT AMOUNT AND MATCHING RESOURCES**

The maximum grant amount for Phase I (pre-development) activities will be defined within the Planning Category.

The total CDBG maximum grant amount for Phase II (project implementation) activities equals \$445,000, which includes the maximum of \$400,000 for project activities, a maximum \$35,000 for general administration activity, a maximum of 10% of housing activities, and a maximum of \$10,000 for construction management activity. 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.

<b>DTR Category – Key maximums and requirements</b>	
Single Community – Implementation Project Costs	\$400,000
Local matching funds	25% of Project Costs
General Administration	10% of Project Costs not to exceed \$35,000
Housing Management	10% of Housing Activity Costs not to exceed \$35,000
Construction Management	\$10,000

General Administration activities during the project implementation phase may not exceed \$35,000 or 10% of the amount of project costs, whichever is less. Housing Management may not exceed \$35,000 or 10% of the housing project activities, whichever is less. \$10,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance. General Administration, Housing Management, and Construction Management activities do not require any matching funds. For the current Program Year, \$2,250,000 in CDBG funds will be allocated for Phase II DTR activities.

### **THRESHOLD AND REVIEW CRITERIA FOR SUBMITTING DTR APPLICATION, APPLICANT SUBMISSION, AND GRANTEE SELECTION**

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. Applications will be returned and not considered if they fail to meet any of the following threshold requirements prior to review. 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, DTR 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 Phase I applications must be submitted per the Planning Category Application

Guidelines. DTR Phase II applications must be submitted per the Downtown Revitalization Program Application Guidelines. Phase II applications will be accepted on September 30, 2018. Applications will be accepted during this period based on U.S. Postal Service postmark date or date of delivery by other means.

## **DTR PHASE II (IMPLEMENTATION)**

Special policies for DTR applicants

Prior to a community accessing DTR resources, applicants must complete pre-development planning activities. Use of CDBG Planning resources is not required; however, a copy of the final planning document must be provided for review in any case to apply for consideration of DTR resources for implementation.

In general, the local government will be required to submit the following:

1. A complete DTR pre-development study;
2. A concise description of the project area;
3. A description of the potential DTR activities discussed during the pre-development planning phase;
4. A description of the proposed DTR activities that will be implemented; and
5. Specific input (downtown businesses and community partners) on the types of activities the community would like to see implemented within the downtown during the project.

Applicants are strongly encouraged to submit photographs of the downtown structures, identifying those structures involved in past, present, or future revitalization efforts.

Special policies affecting thresholds for selection are:

4. The **Citizen Participation Plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application, where applicable, must have and follow a citizen participation plan. The plan must provide for:
  - a. Proper notice and access to all meetings and project records;
  - b. Technical assistance on request to group's representative of LMI persons;
  - c. A **minimum of two public hearings**, each at a different stage of the program, for the purpose of obtaining citizen's views, responding to proposals and questions specifically during the:
    - 1) Application phase – the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching and leverage funds, if any, and the applicant's plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and

- 2) Implementation phase – the hearing(s) must review project/program performance and summarize any relevant updates or changes through the process, in supplement to any hearings held in accordance with the contract amendment request process.

The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant’s jurisdiction and the application must be available for public inspection at each locality.

- d. A process for responding to complaints and grievances within 15 working days; and
  - e. The needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.
5. The **Residential Anti-Displacement and Relocation Assistance Plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities which will result in demolition or in the conversion of an LMI unit to a use other than LMI housing. The plan must contain two components (a) one-for-one replacement unit requirement, and (b) a relocation assistance component.
- a. **One-For-One Replacement** unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.
    - 1) An LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.
    - 2) A “vacant occupiable dwelling unit” is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.
    - 3) A unit is “standard condition” is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.
    - 4) A unit “suitable for rehabilitation” is defined for purposes of this certification as a unit whose estimated repair, rehabilitation, weatherization, and/or general improvement costs do not exceed one-half of its replacement value after rehabilitation. The local government may use their own definition for “suitable for rehabilitation” provided such definition is made public and DED determines the definition to be acceptable.
    - 5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:
      - Located within the same jurisdiction;

- Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
  - Provided in standard condition or brought up to a standard condition; and
  - Designed to remain LMI for ten (10) years.
  - Replacement units may include public housing and housing with Section 8 project-based assistance.
- 6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
- The activity – the location and number of units by bedroom size;
  - The proposed demolition or conversion schedule;
  - The number and placement of replacement units and their size;
  - The source of funding and time schedule for replacement units; and
  - The basis for concluding that each replacement unit will remain a LMI unit for 10 years.
- b. **Relocation Assistance** must be provided to each LMI family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

6. The **procurement process** for consultant selection must be outlined in accordance with *Section 5.05 (3) Competitive Proposals*. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR200.300–345.

Grantees must establish and maintain effective internal control over the CDBG award, providing reasonable assurance that all parties involved are in compliance with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award.

*Overall, recipients of CDBG funds are responsible for ensuring **competitive procurement** for goods and services, in accordance with established rules and regulations using **full and open competition**. Complete documentation of this process is required.*

In specific instances, Exhibit K may be required at the time of application along with related supplemental documentation. **NOTE:** there may be instances where the applicant submits more than one such exhibit, for example when separately procured consulting firms provide general administrative and planning activities.



Applicants shall complete **Exhibit K1a/b** if this process as described in *Section 5.05* will not be used. The applicant must state why and identify and describe the process used for selecting a consultant. This also includes the process used for selecting of the consultant that implements the project. **Exhibit K2** shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

Supplemental materials must be provided that clearly demonstrate the applicant community carried out the procurement process, this includes documentation that a reasonable number of appropriate firms were contacted directly and in a meaningful manner. Documentation must also include a narrative indicating the method of procurement, reasoning for selecting that method, how and by whom the procurement process was carried out, and any other pertinent information about the procurement process, including a description of how the applicant made meaningful contact to a reasonable number of appropriate firms (e.g. five). As an example, meaningful contact may involve an applicant sending the request for proposal directly to firms known to complete the scope of work and follow up with a phone call or email that confirms receipt of the request.

**WARNING:** With the exception of contracts for general administration services, **DO NOT execute any contract for goods or services prior to the Department issuing a written Notice of Release of Funds and Environmental Clearance.** This includes contracts related to project costs or supporting project costs (construction management and housing management).

The Matrix below summarizes each selection criteria as a numerical score within the DTR Category. The maximum number of points available within any application is 925 points. A minimum score of 350 points is required and some criteria require a minimum score as noted below. For each Application, the review committee scores all selection criteria in five-point increments and on a scale as compared to other Applicants. Preference given to project proposals that demonstrate a comprehensive approach. Priority given to projects that benefit low- and moderate-income persons. See Table 5.03 for Selection Criteria Detailed Matrix.

Table 5.03. Selection Criteria Detailed Matrix – CDBG DTR Category		
Item	Criteria	Points Possible
1. Project Design	<i>Threshold: 150 points</i>	300
	Overall Purpose of Project/Identification of Need)	125
	Project Impact	125
	Past Efforts to Resolve the Problem	50
2. Project Readiness	<i>Threshold: 100 points</i>	200
3. Business & Community Support	<i>Threshold: 100 points</i>	200
4. Matching Funds		50
5. Municipal Equalization Fund (MEF) Score		100
6. Achievements ( <i>Applicant may only earn points as an EDCC or LCC, not both.</i> )		75
	Economic Development Certified Community (EDCC)	50
	DED Leadership Certified Community (LCC)	50
	Organizational preparedness	25
<b>Total points</b>	<i>Minimum Threshold: 350 points</i>	<b>925 points</b>
7. On-Site Review ( <i>Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.</i> )		

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 300 points is possible. Applicant must earn a minimum of 150 points to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local need for the project as derived through processes completed as a part of the pre-development planning process. The project design should include the overall scope of the project, and revitalization efforts for completion during the implementation of the project as derived all or in part through planning activities. Application should 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.***

The application narrative shall be scored for clear and concise explanations of:

- (a) The current need for the proposed project based on existing, identifiable problems and conditions;
- (b) Provide clearly defined goals and objectives to address the identified community problems;
- (c) The proposed project outcome in measurable units and the degree to which these accomplishments within project implementation will reduce or eliminate the need(s), and any plans to eliminate what needs remain;
- (d) 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; and
- (e) Identification and explanation of any past efforts to resolve the problem(s).

Points in this section include:

- 0–95 points—inadequately defined, below average
- 100–145—Limited project design is only defined.
- 150–195—reasonably defined, average compared to other applicants
- 200–300—well defined, above average

A strong narrative in this section will provide a clear nexus between the problem statement provided under Project Design and outcome described under Project Impact.

Community involvement and participation is a fundamental part of any successful project and is required as part of the CDBG application process (see *Section 5.02(c)* 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 respond to the proposed project. Existing capital improvement, comprehensive, economic development, housing, or other community development 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 need 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 Readiness: Up to 200 points possible. Applicant must earn a minimum of 100 points to meet threshold. A description of prior and concurrent efforts related to the overall: implementation strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. This includes stakeholder involvement.

Points in this section include:

- 0-75 points—inadequately defined, below average  
Lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the project, no clear evidence of commitment to proceed with implementation, no evidence that code enforcement is in place.
- 80-150—reasonably defined, average compared to other applicants  
Local capacity demonstrated through past projects, past downtown and/or community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with implementation of downtown revitalization plan; and code enforcement is in place.
- 155-200—well defined, above average  
Significant local capacity demonstrated through past improvement efforts, citizen participation, and evidence of commitment to proceed with implementation of downtown revitalization plan; code enforcement in place; and strong evidence of interest groups, organizations, and/or demonstration of other such efforts dedicated to downtown development and revitalization.

3. Business & Community Support: Up to 200 points possible. Applicant must earn a minimum of 100 points to meet threshold. The level of capacity, commitment, and support from the local business community will be compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average  
No evidence or very little evidence from the general and business community that will commit resources and support downtown revitalization efforts.
- 80-150—reasonably defined, average compared to other applicants  
Some evidence of from the general and business community to commit resources and support downtown revitalization efforts. This may include letters of support, letters of intent from businesses and/or partners to commit resources, financial commitments from businesses and partners, or other such evidence of support for the project from the general and/or business community.

- 155–100—well defined, above average  
Significant evidence from the general and business community that it will commit resources and support downtown revitalization efforts.

A strong narrative in this section identifies a significant number of businesses and/or partners contacted or otherwise engaged (i.e. included in the predevelopment/planning process) and clearly describe how the project will foster public and private sector partnerships for prioritized improvements to the downtown.

4. Matching Funds: Up to 50 points is possible. No minimum points in this section are required to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points. The table below further describes these criteria.

Table 5.03B. Match and Leverage Points Available	
Percentage Exceeding Requirements	Points Available
25% or greater	50
10-24.99%	25
5-9.99%	10

5. MEF: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. Narrative is not required under this section.

6. Achievements: Up to 75 points possible. No minimum points in this section are required to meet threshold. Due to the nature of these programs, Applicant may only earn points as an EDCC or LCC, not both. Applicant must demonstrate any of the following items at the time of application submittal, including:

a. Certifications:

- 1) Applicant is designated as an Economic Development Certified Community, **50 points**.

For a complete list of communities and additional information, visit the DED website at: <http://opportunity.nebraska.gov/business/why-nebraska/communities/certified-communities>

- 2) Applicant is designated as a DED Leadership Community, **50 points**.

For a complete list of communities and additional information, visit the DED website at: <http://opportunity.nebraska.gov/community/community-info/community-improvement/leadership-community>

- b. Organizational preparedness, **25 points**. The community has a Redevelopment Authority or other downtown/business/community/economic development organization that is operational and functioning within the community.

**IMPORTANT:** To receive points for this criterion, the applicant must attach a letter from the organization that verifies the presence of such organization in the community, and provides a description of how the organization will play an active role throughout the downtown revitalization efforts. In addition, the letter should describe how the organization, applicant community, and general public collaborate on community betterment projects.

*In addition, also note that the achievements section is optional; projects can be funded in communities not awarded points in this section. These points may bolster an application's score as compared to other Applicants, as requested funding amounts often exceed available resources.*

#### On-Site Review

Conducted by DED staff, on-site reviews do not yield points independent of the Application and is not a required part of the application process, but may be completed at the Department's discretion based upon activities proposed, risk analysis considerations, or other such factors.

Evaluation considerations include observation of dilapidating or substandard conditions; infrastructure in poor condition (e.g. deteriorating streets and sidewalks, accessibility issues, drainage problems, etc.); downtown structures in poor condition observable need of façade or public safety improvements; identification of moderate to significant physical or economic blight (e.g. more than 15% of the properties in the project area in a state of physical or economic blight); and a number of vacant buildings.

**NOTE:** For the purposes of DTR, 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 identify of the downtown district. The physical blight adds to depressed property values and affects the ability to market and attract investment. "Economic blight" includes the existence of vacant, disinvested, or underutilized buildings, and parcels, which represents unrealized commercial potential and create a negative image of the downtown that harms efforts to attract new investment.

#### Supplemental materials

The following is required information for the application:

- **Attachment 1 – Planning and Implementation Overview.** Within this overview document, Applicant provides background information related to the project, including summary of the completed, planned, and projected activities.
  - Provide an overview of the planning process, identifying the priorities, and where projects were implemented, describe the remaining needs and priorities to be addressed and include a timeline. This should include the date of the original planning process and any updates as completed or planned. Updates to the downtown revitalization plan may be formal or informal based on the nature of the update.
  - Provide an overview of the implementation process underway, identifying remaining needs and priorities to be addressed within the proposed project and include a timeline for overall downtown revitalization efforts. This should include the date of completed, underway, or planned implementation.
  - Identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:
    - Securing administrative and engineering services,
    - Process and completion of environmental review,
    - Land acquisition,
    - Completion of plans/specifications,
    - Securing of any necessary permits and/or approvals,
    - Solicit construction bids (NOTE: do not enter into contracts until receiving environmental clearance and release of funds),
    - Estimated construction start and completion dates, etc.
  
- **Attachment 2 – Downtown District Parcel Map.** Provide information on the map identifying uses by lots or parcels. Identify on the map residential, commercial, and vacant properties within the service area boundaries.
  
- **Attachment 3 – Contextual Photographs and/or Illustrations.** Provide photographs and/or illustrations that convey context to the narrative of the application.

Depending on the nature and scope of project activities proposed, the following items may be required prior to release of funds, if awarded. Review *CDBG Administration Manual Chapter 4* and any other guidance provided by DED.

- For proposed **homebuyer activities** OR proposed **single-family owner occupied and/or rental housing rehabilitation activities**, attach program guidelines.
- For **commercial rehabilitation**, attach program guidelines. Generally, these guidelines will describe and reference relevant city codes, any design standards in place, the process for application and approval between the local government and the business, etc.

## SUMMARY OF MILESTONES/TIMELINE

Below is a summary of the milestones that will be completed during a DTR project.

<b>Milestone Summary</b>	<b>Date</b>
Pre-Development planning study	
Applications Due	See Chapter 6 - Planning
Awards	See Chapter 6 - Planning
Downtown Revitalization Implementation	
Applications Due	September 30
On-Site Reviews conducted	Fall 2018
Anticipated Award	Winter 2018



## ***Economic Development (ED) Category***

### **OBJECTIVE**

The objective of the Nebraska Department of Economic Development 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-to-moderate (LMI) income levels. CDBG is a funding source from the U.S. Department of Housing and Urban Development (HUD). The federal statutory authority for the CDBG program is the Housing and Community Development Act of 1974, as amended (HCDA), codified at 42 U.S.C. §5301 et seq.

### ***Eligible Applicants***

Eligible applicants include any Nebraska incorporated municipality under 50,000 population; and every Nebraska county.

- An eligible municipality may apply only for project activities within its jurisdictional control (as defined below).
- An eligible county may apply only for project activities:
  - within its jurisdictional control (as defined below), and
  - which are in unincorporated areas of the county;
  - provided however, that project activities occurring at a site of public facilities owned or controlled by the county, even though within an incorporated area of the county, may be applied for (by the county).
- In this context, jurisdictional control means: property within corporate boundaries; property within zoning jurisdiction boundaries; property outside such boundaries which was acquired (through purchase or donation) prior to project activity implementation; and property controlled through permanent easements or other similar permanent land use/access control mechanisms.
- These jurisdictional control limitations and definitions are established by the Department under the Department's CDBG ED program, not by HUD CDBG regulations. Consequently, in circumstances deemed appropriate by the Department, exceptions to these requirements may be allowed.

### ***Eligible Businesses:***

Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program. For a business to be eligible under the Department's CDBG ED category, it must either: **1)** be eligible for the **Nebraska Advantage Act** as described below **or 2)** be a for-profit business that provides **essential goods or services** to local governments' residents of which at least 51% of the benefitting residents qualify as low- and moderate income (LMI).

- 1) **Nebraska Advantage Qualified Businesses:** Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations 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/Warehousing
- Transportation
- Headquarters (administrative)
- Data Centers
- Scientific Testing
- 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)

2) **Essential Goods or Services Business:** For profit businesses that provide essential goods or services needed by, affordable to, and benefitting low- and moderate-income residents.

**Also,** the below criteria must be met:

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$10.50 per hour, as well as provide appropriate employee benefits.
- For projects meeting the national objective through LMJ, the job maintenance period will be established as part of the MOU.

The following are ineligible:

- 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 aquaculture 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.

#### **COMPLIANCE WITH CDBG NATIONAL OBJECTIVE REQUIREMENTS**

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG National Objective of benefit to low-moderate income persons (LMI) as a threshold for review and funding consideration.

Economic Development activities must meet the LMI national objective through benefitting low- to moderate-income persons.

## **MAXIMUM AMOUNTS OF AWARDS**

The maximum amount for ED activities is \$1,000,000, exclusive of supporting project and general administrative costs.

General Administration include includes those costs that are administrative in nature with exception of pre-program costs, such as payment or reimbursement of application preparation fees, costs of conducting local surveys, etc. Common line items costs are environmental review, fair housing activities, financial audit (if necessary), labor standards enforcement, preparation of required grant progress reports, and drawdowns. Matching funds are not required. Up to \$10,000 can be used for general administration.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds can be used under Activity 0380. **Where the maximum is not used, by contract budget amendment these funds can be moved to other project-activities, not general administration activity costs.**

## **PUBLIC BENEFIT STANDARDS**

CDBG awards are limited to a maximum of \$35,000 per FTE job created or retained. There are incentives (in scoring the project) for awards that are less than the maximum. If the project activity provides goods or services, the amount of CDBG funds allowed for that activity cannot exceed \$1,000 per LMI person served, but must be at minimum \$350 per LMI person served. These limits are known as the Public Benefit Standard and are part of the federal limitations described in 24 CFR 570.482(f).

## **MAXIMUM AMOUNT OF CDBG LOAN FORGIVENESS 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. 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. The exceptions to this matching requirement are CDBG funding for general administration of project activities and funding for Construction Management activities – these do not require matching funds. Note that the matching requirement for public facilities (infrastructure) projects undertaken for

economic development purposes (a particular form of CDBG assistance discussed later in these guidelines) cannot be met using the benefited business' investment, e.g., the construction of a new plant, but rather must come directly from the applicant community, and the matching funds must be invested in the infrastructure project.

#### **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 Scoring Criteria**

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; and Economic Development Certified Community. 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.

There are **two** types of scoring criteria: **1) for Nebraska Advantage Qualified Business** and **2) for Essential Goods or Service Business**, but both follow the parameters of the selection criteria matrix below. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required.

**1. Nebraska Advantage Qualified Business Scoring Criteria:** 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; and Economic Development Certified Community. 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; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

**CDBG Funding Utilization**

**Maximum, 35 Points**

*CDBG Funds Invested Per Job Created/Retained*

- \$35,000 or more = 0 points
- \$30,000 to <\$35,000 = 4 points
- \$25,000 to <\$30,000 = 8 points
- \$20,000 to <\$25,000 = 12 points
- \$15,000 to <\$20,000 = 16 points
- <\$15,000 = 20 points

*CDBG Funding Compared To Total Project Funding (As %)*

- 50% = 0 points
- 33% to <50% = 2 points
- 20% to <33% = 6 points
- <20% = 10 points

*Aggregate Wages (And Benefits) Paid To Employees in Created Jobs within One Year Compared To CDBG Funds Invested (As %)*

- 100% or less = 0 points
- >100% to <125% = 2 points
- 125% or more = 5 points

**Community Impact and Investment**

**Maximum, 30 Points**

*Location of community as more economically distressed than others, based on three broad location sectors:*

- Larger Community/County Locations = 10 points  
*Include: Beatrice, Columbus, Fremont, Hall County, Hastings, Kearney, Norfolk, North Platte, Scottsbluff/Gering, South Sioux City, Douglas County, Lancaster County, and Sarpy County*
- 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) = 30 points

**Business Factors**

**Maximum, 40 Points**

*Owners' Equity in Project = 12 Points Possible*

- 10% Or Less = 0 points
- >10% To 20% = 4 points
- >20% To 33% = 8 points
- >33% = 12 points

*Loan Collateral and Loan Guarantees = 6 Points Possible*

- Unsecured, Or A Junior Lien Position Offering Little Realizable Value = 0 points
- For The Spectrum In Between = 1-5 points
- Reasonably Secured As To Collateral Value And Liquidity, With Guarantees In Existence = 6 points

*Established Business, or Start-Up Venture = 6 Points Possible*

- Start-Up Venture With All The Usual Risks Of Failure = 0 Points
- Established Business, But With Negative Trends = 3 Points
- Established Business With Positive Trends = 6 Points

*Documentation of Funds Commitments by All Other Project Funds Sources = 4 Points Possible*

*Duration of Commitment to Maintaining the Created/Retained Jobs = 2 Points Possible*

- Committing to maintaining only for the minimum required by the Department's guidelines = 0 points
- Committing to substantially more than the minimum = 2 points

*Targeted Industry = 10 Points Possible*

**Economic Development/Leadership Certified Community**

**Maximum, 5 Points**

Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community  
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- b) DED Leadership Certified Community  
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

**2. Essential Goods and Services Business Scoring Criteria:** The general scoring criteria for the category include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; and Economic Development Certified Community. 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; the minimum threshold is not the only determinate for a favorable recommendation submission by the Project Review Committee.

Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development or Leadership Certified Communities	5	-
Total	110 points	25 points

**CDBG Funding Utilization**

**Maximum, 35 Points**

Describe the existing or imminent problem and/or an assessment of the identified community need for the business. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions. Identify past formal or informal community/ business efforts to resolve the problem. Demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0-10 points—inadequately defined, below average
- 11-25—reasonably defined, average compared to other applicants
- 26-35—well-defined, above average

**Community Impact and Investment**

**Maximum, 30 Points**

Describe the importance of business to the community and provide clarity on how the business benefits those identified according to the LMI CDBG National Objective for the customer service area. The significance of the project impact scored as compared to meeting the needs by the impact of the project. The application narrative shall be scored for clear and concise description of:

- a) Clearly defined goals and objectives to address the identified community problems;
- b) How the essential business will benefit the community, especially low- and moderate-income and special needs persons within the service area;
- c) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.
- d) Identify the nearest community business that provides similar goods or services that the applicant is providing. Include mileage.

Points in this section include:

- 0-9 points—inadequately defined, below average

- 10-20—reasonably defined, average compared to other applicants
- 21-30—well defined, above average

### **Business Factors**

**Maximum, 40 Points**

A description of prior and concurrent efforts related to the business efforts/ strategy and/or work plan for meeting solutions to community needs. Identify the business factors in terms of readiness to proceed:

- a) Owner's Equity within the project
- b) Loan collateral and loan guarantees. Indicate if the loan is secured or unsecured.
- c) Documentation of funding commitment.
- d) Business Plan

Points in this section include:

- 0-15 points—inadequately defined, below average
- 16-28—reasonably defined, average compared to other applicants
- 29-40—well-defined, above average

### **Economic Development/Leadership Certified Community**

**Maximum, 5 Points**

Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community  
<https://opportunity.nebraska.gov/program/economic-development-certified-community-edcc/>
- b) DED Leadership Certified Community  
<https://opportunity.nebraska.gov/program/leadership-certified-community/>

## **Underwriting & Decision-Making Criteria**

### ***Underwriting Criteria:***

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:

1. **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.
2. 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.
3. 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.

4. The **financial feasibility of the project** includes a public benefit. 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.
5. 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.
6. To the extent practicable, **CDBG funds should be disbursed on a pro rata basis** with other project funding sources. CDBG money cannot 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.

Decisions on applications by the Department Project Review Committee are based on the individual and collective judgment of Committee members, in consultation with other Department staff as necessary, applying analyses of objective criteria considered to be important in assessing whether to spend scarce federal CDBG dollars on a proposed project and in distinguishing among competing applications. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and at what level of funding.

## **ELIGIBLE BUSINESS**

For a business to be eligible to be a benefited business, that business must:

- Meet the definition of essential business. An essential business is one that provides goods or services needed by, and affordable to low-and moderate-income residents; **or**
- Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations 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/Warehousing
  - Transportation
  - Headquarters (administrative)
  - Data Centers
  - Scientific Testing

- 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 \$10.50 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 restructuring", and "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, unless approved by DED.
  - 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 generally:
    - 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.
- ***Public 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 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" that 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 benefits from 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 current Program Year, DED will fund economic development infrastructure activities/projects with the \$2,000,000 of funding allocated to this category. No more than 40% of the CDBG State RLF will be made available to fund non-infrastructure projects within the CDBG ED Category.



# 2018

## NEBRASKA AFFORDABLE HOUSING TRUST FUND APPLICATION GUIDELINES

for  
Annual Cycle

Nebraska Department of Economic Development  
*Nebraska Affordable Housing Trust Fund*

**NEBRASKA**

HOUSING AND COMMUNITY  
DEVELOPMENT

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# INTRODUCTION

## **Timeline, Scoring Process Summary, Resources**

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The Nebraska Department of Economic Development's (DED or the Department) HOME Investment Partnership Program (HOME) is intended to:

1. Address housing conditions related to community economic development needs;
2. Expand equal housing opportunities;
3. Create public/private partnerships to address housing needs holistically (linking housing with supportive services to promote economic self-sufficiency and family preservation); and to
4. Promote and advance the goals of the Nebraska's 2015-2019 Consolidated Plan for Housing and Community Development.

HOME is funded by the following sources:

- U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnership Program.

DED's role in HOME projects is as an investor and a partner. As an investor, DED is seeking quality applications in order to select projects that will provide the best investments of State and federal resources to promote affordable housing. As a partner, DED is interested in providing input as early as possible in project design and also in working closely with the awarded applicants in order to address any obstacles encountered during project development and implementation.

In order to apply for DED funds it is important for applicants to review the 2018 Housing and Community Development Annual Action Plan (AAP), 2018 NAHTF Qualified Allocation Plan (QAP), and the HOME CHDO 2018 Application Guidelines. These are available on the Department's website at:

AAP, <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>;

QAP, <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>; and

Application Guidelines, <https://opportunity.nebraska.gov/program/home/#guidelines>.

**Note: All applications are prepared at the Applicant's expense.**

**I. Timeline**

A summary of the CHDO Cycle timeline is noted below.

**CHDO Cycle Timeline**

Date	Action	Location	Responsible Parties
6/29/2018	Application Guidelines are posted	<a href="https://opportunity.nebraska.gov/program/home/#guidelines">https://opportunity.nebraska.gov/program/home/#guidelines</a>	DED
9/28/2018	<p><b><i>Original, Signed Hardcopy of CHDO Eligibility and Full Application must be postmarked by, or delivered to the Nebraska State Office Bldg, 4<sup>th</sup> Floor, with signed receipt from DED staff by 5:00 PM CDT.</i></b></p> <p><b><i>Scanned Copy of Full Application must also be uploaded by 5:00 PM CDT.</i></b></p>	<p>Lincoln DED Office:</p> <p>State Office Building Dept. of Economic Development 4<sup>th</sup> Floor 301 Centennial Mall South Lincoln, NE</p> <p>Upload to: <a href="https://negov.sharefile.com/r-r384c40e5dd5491fa">https://negov.sharefile.com/r-r384c40e5dd5491fa</a></p>	Applicant
TBD	Contract Review	TBD	DED, Applicant, and Preparer
TBD	Award Letters distributed		DED



## **II. Scoring Process Summary**

### **CHDO Cycle**

During the CHDO Cycle, applicants will be required to submit a HOME CHDO Eligibility and Funding Application in order to apply for HOME CHDO funds.

At the conclusion of the CHDO Cycle, the Department will review and score those CHDO Eligibility and Funding Applications for any applicant that meets the CHDO Eligibility requirements and were received by the required due date.

Within the CHDO Cycle, only eligible CHDO organizations are eligible to apply. The CHDO Cycle application process will be an application that will clearly identify the necessary HOME required information in order to determine whether or not an applicant is an eligible entity that may receive HOME set-aside funds for HOME CHDO-eligible activities. This set-aside application will include any necessary information as required by the HOME Final Rule, and must include the HOME eligible activities proposed for the project that must be completed within two (2) years.

Scoring Criteria for the CHDO cycle is defined in Chapter 2 HOME CHDO Eligibility and Funding Application and Chapter 3 HOME CHDO Operating Eligibility and Funding Application. Detailed information on the scoring process for the CHDO Cycle is noted both in Chapter 2 and Chapter 3. All exhibits can be found in Chapter 4.

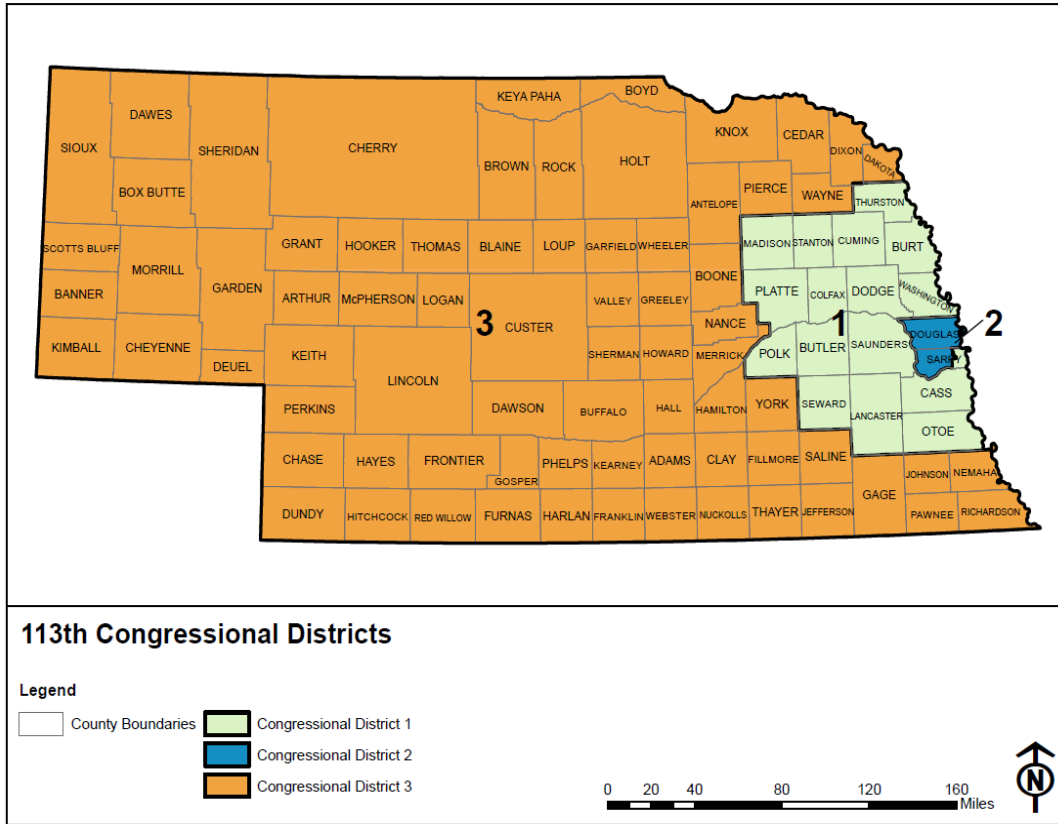
Once the review of the HOME CHDO Eligibility Section is completed and the applicant has met the eligibility requirements, the HOME CHDO Project Design and Impact Section will be scored along with the other eligible applications. The top scoring applications from the CHDO Cycle will be awarded and the Department will notify and schedule contract review with those applicants who have been preliminarily selected for funding. During the contract review, the applicants and the Department will clarify information in the application, and applicants may be required to submit items to DED by an agreed upon due date. If items requested during the contract review are not received by the Department by the agreed upon due date, the applicant will no longer be eligible to receive HOME CHDO funds.

A Selection Criteria Matrix is provided in both Chapter 2 and Chapter 3 within the Eligibility and Funding Applications which note the Scoring Criteria and Total Possible Points for each application. All applications meeting HOME CHDO eligibility requirements will be reviewed by DED on a competitive basis.

**All applications must score a minimum number of total points available within the application in order to be considered for a recommended award. The minimum required score for each application is noted in Chapter 2 and Chapter 3.**

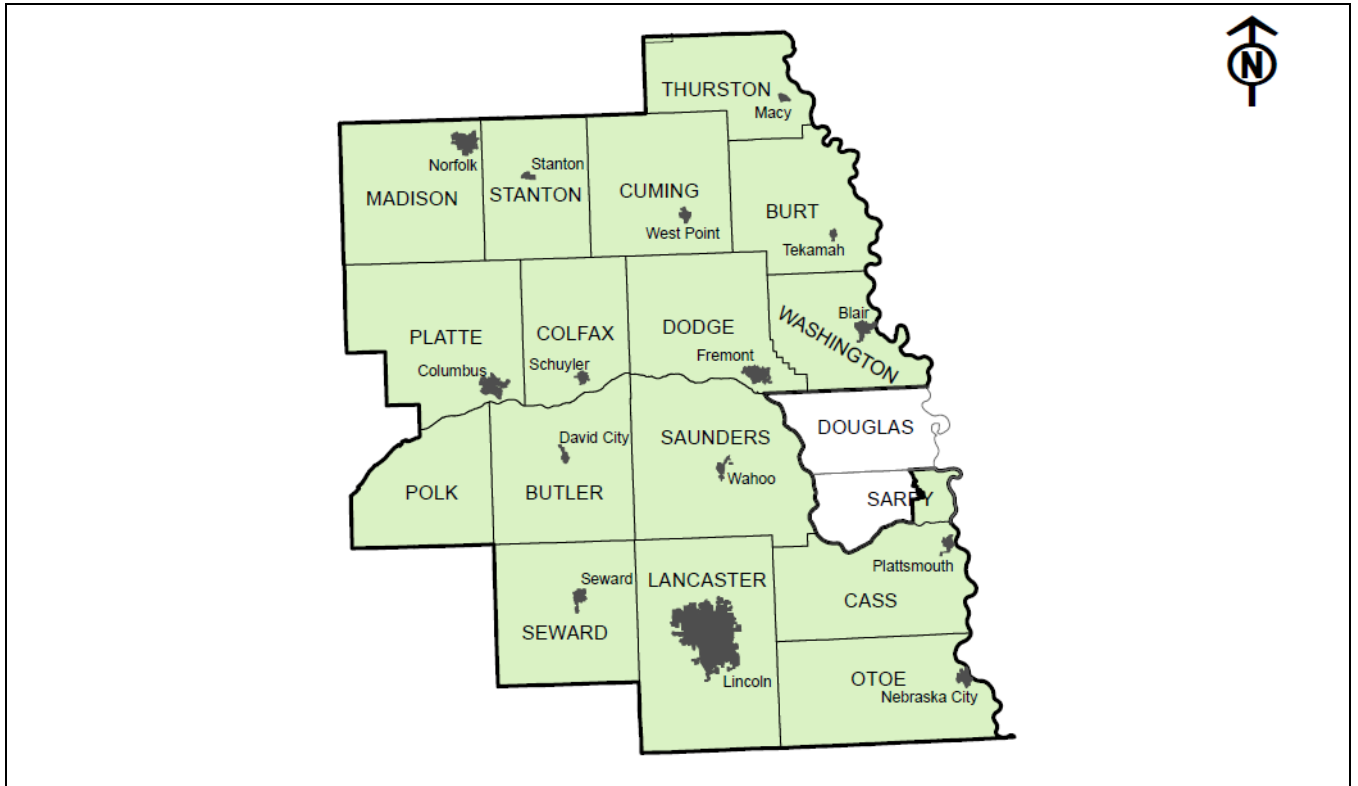
**All ORIGINAL, SIGNED HARD-COPIES OF HOME CHDO ELIGIBILITY and HOME CHDO FUNDING APPLICATIONS must be postmarked by or delivered to the Nebraska State Office Building, 4<sup>th</sup> Floor, by 5:00 pm (CDT) by the application due date, September 28, 2018, for the CHDO Cycle as noted the CHDO Cycle Timeline. A scanned copy should be uploaded and received by DED by 5:00 pm (CDT) by the same applicable application due date to <https://negov.sharefile.com/r-r384c40e5dd5491fa>.**

# Nebraska U.S. House of Representatives Congressional Districts






The State of Nebraska has 3 Congressional Districts as identified above.

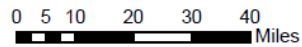
# Congressional District 1



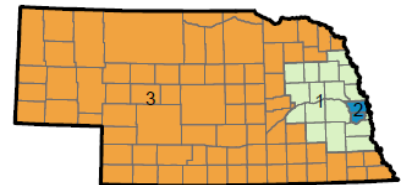
## 113th Congressional District 1

### Legend

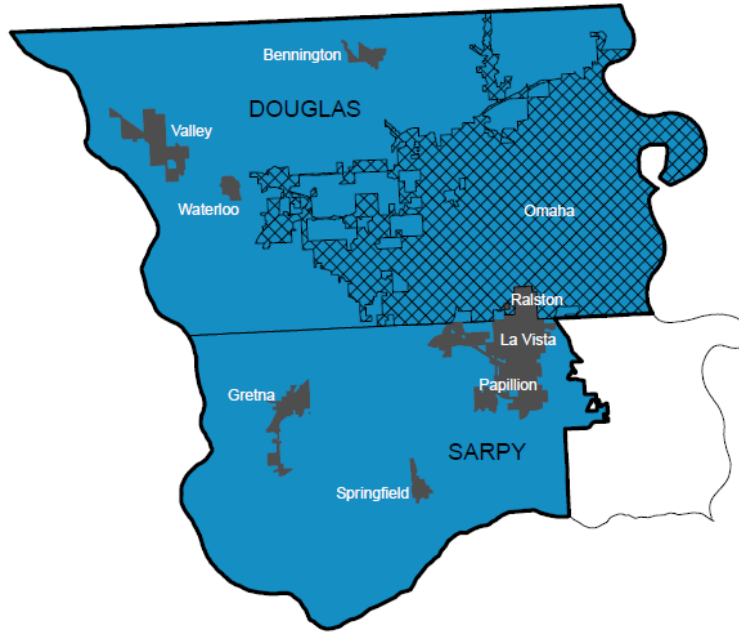
-  Congressional District 1
-  City Boundary
-  County Boundary



### Context Map







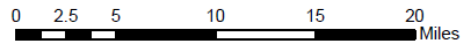
# Congressional District 2



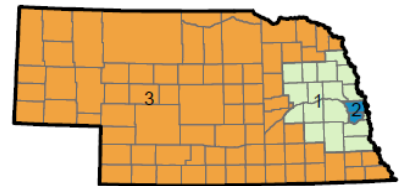
## 113th Congressional District 2

### Legend

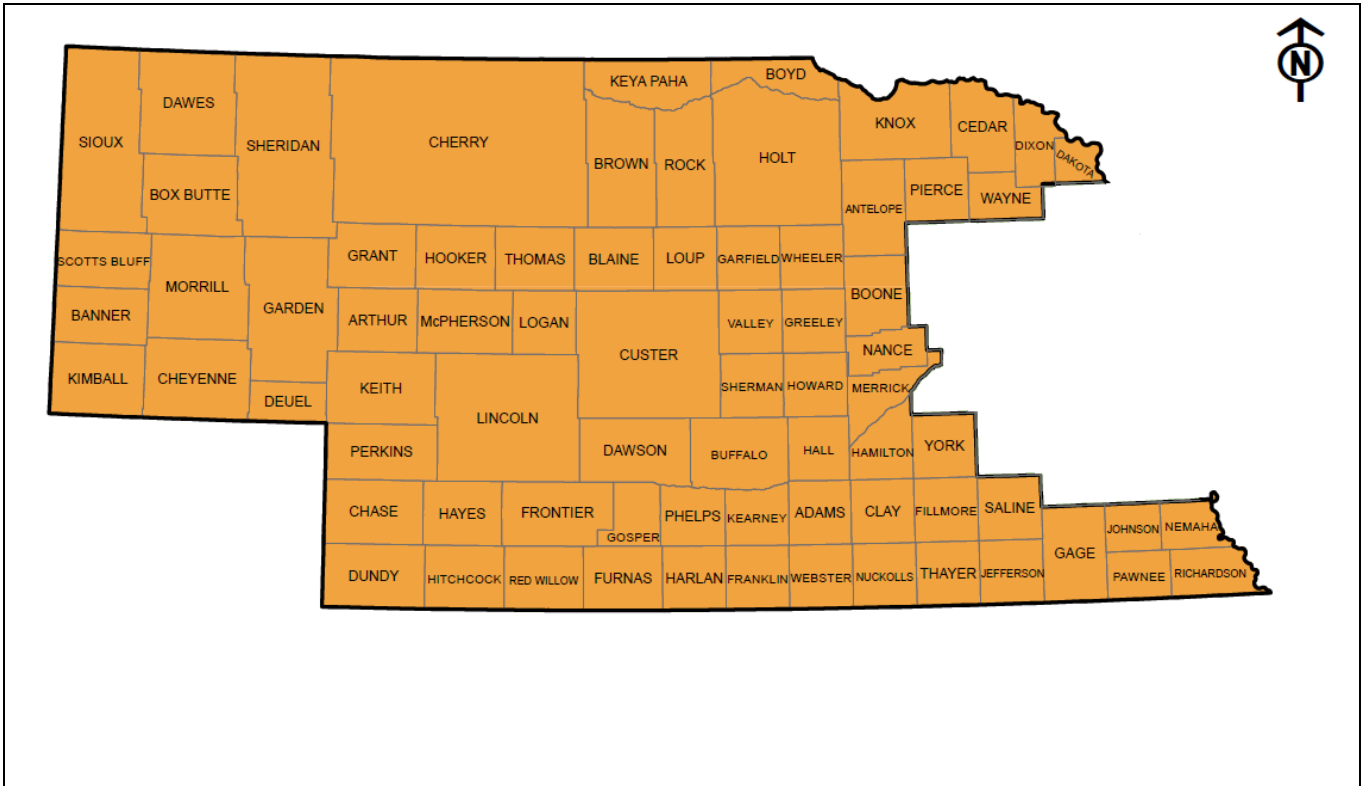
-  Omaha city limits
-  City Boundary
-  County Boundary
-  Congressional District 2



### Context Map



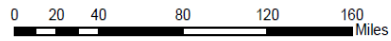
# Congressional District 3



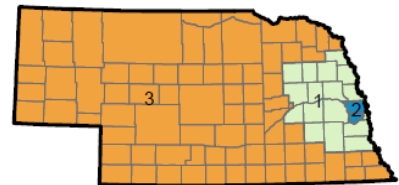
## 113th Congressional District 3

### Legend

- Congressional District 1
- City Boundary
- County Boundary



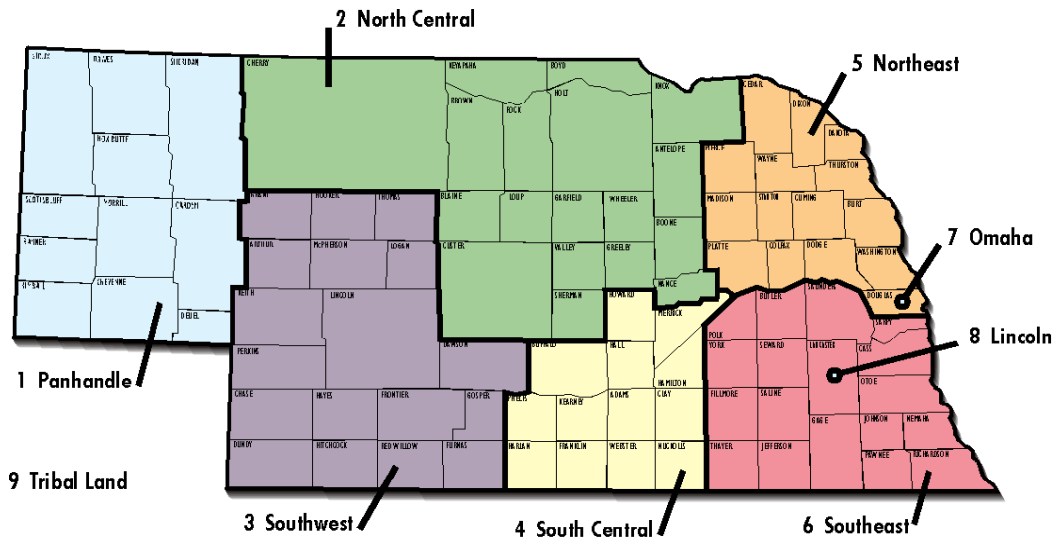
### Context Map



### III. Resources

#### Additional Information

Regional Representative’s coverage areas and contact information are noted below.



Region	Housing Representative	Phone Number	Email Address
Northeast & Omaha	Mechele Grimes	402-309-4536	<a href="mailto:mechele.grimes@nebraska.gov">mechele.grimes@nebraska.gov</a>
Central (North & South)	Evan Clark	402-471-4679	<a href="mailto:evan.clark@nebraska.gov">evan.clark@nebraska.gov</a>
Southeast	Nick Dropinski	402-471-2095	<a href="mailto:nick.dropinski@nebraska.gov">nick.dropinski@nebraska.gov</a>
Western (Panhandle & Southwest)	Kristi McClung	308-889-3420	<a href="mailto:kristi.mcclung@nebraska.gov">kristi.mcclung@nebraska.gov</a>

For specific questions regarding the HOME CHDO Application processes, please contact the Housing Coordinator by email at [pamela.otto@nebraska.gov](mailto:pamela.otto@nebraska.gov).

Individuals who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (711) INSTATE (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111. Additional information is at the Nebraska Relay website <http://www.nebraskarelay.com/>. Nebraska Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or 1-888-272-5528/ Spanish-to-English (711) or 1-877-564-3503. Nebraska le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por máquina en español y las conversaciones serán retransmitidas en español y inglés.

# 2018

## HOME INVESTMENT PARTNERSHIP PROGRAM

### CHAPTER 2:

## HOME CHDO Eligibility and Funding Application

### Application Forms, Instructions, and Application Guidelines

Program Year (July 1, 2018 through June 30, 2019)

**Nebraska Department of Economic Development**

*HOME Investment Partnership Program*

**NEBRASKA**

HOUSING AND COMMUNITY  
DEVELOPMENT

# CHDO Eligibility and Funding Application

## Forms and Instructions

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These Application Guidelines are for all CHDO activities. These Guidelines are designed for those applicants applying in the CHDO Cycle. These applications are due September 28, 2018.

### Basic Information

The HOME Investment Partnership Program (HOME) is intended to:

1. Provide funds to eligible recipients for acquisition, rehabilitation, construction, and production of affordable housing to increase the supply of decent, safe, and sanitary housing for low-to-moderate income Nebraskans;
2. Promote and advance the goals of the 2015-2019 Nebraska Consolidated Plan for Housing and Community Development; and
3. Provide a mechanism to leverage private investment in the development of affordable housing.

The HOME program is funded with resources from U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships (HOME) program.

### HOME CHDO Set-aside

The U.S. Department of Housing and Urban Development (HUD) requires DED to set-aside at least 15% of the annual allocation of HOME funds for eligible CHDOs. With this purpose, HUD also provides detailed regulations and guidance on the required purpose, structure and capacity of an organization in order to receive CHDO eligibility and therefore qualified to receive CHDO set-aside funds if awarded.

HOME CHDO Set-Aside funds are for use by State Eligible CHDOs.

HOME CHDO set-aside eligible activities are detailed in the supplemental information. The purpose of the HOME CHDO set-aside is to support community based projects where the non-profit organization (the CHDO) is to "own, sponsor, or develop" housing. As defined in 24 CFR §92.300, an organization choosing to apply for CHDO status should take careful consideration of the restrictions outlined in these guidelines.

DED has flexibility annually on the process to be used to distribute HOME CHDO set-aside funds. The method of distribution must be approved by HUD as part of the Annual Action Plan.

The following are some examples of how CHDO set-aside funds could be distributed in the future:

*HOME Funds*- available to regionally-based nonprofit 501(c)(3) or 501(c)(4) housing organizations, 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. Proposals may include any of the following activities:

1. Purchase, Rehabilitation, and Resale, which includes acquisition, development subsidy and/or down payment assistance.
2. New construction of homes, which includes land acquisition, infrastructure, development subsidy and/or down payment assistance.



## HOME CHDO Cycle Process

- CHDO Eligibility and Funding Applications are due by September 28, 2018.
- The applicant will need to complete the CHDO Eligibility and Funding Application. At the end of the application period the Department reviews applications and determines which organizations are eligible CHDOs. If eligible for CHDO status, the CHDO Project Design and Impact Section will be scored within the CHDO cycle with other eligible applications for CHDO set-aside HOME funds in Program Year 2019. (July 1, 2018 to June 30, 2019).
- Applications are prepared at the applicant's expense.

## Eligibility

### **A. Eligible Applicants**

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 these guidelines. The Nebraska Department of Economic Development (DED or "the Department") determines nonprofit organizations as an eligible CHDO as defined in the HOME Investment Partnerships Program 2013 Final Rule Subpart A, §92.2.

### **B. Eligible Activities**

State of Nebraska Department of Economic Development Reference HUD 24 CFR 92.300; 24 CFR 92.252 and 24 CFR 92.254.

The website link for CHDO eligible activities under 24 CFR Part 92.300 is: <http://www.ecfr.gov/cgi-bin/text-idx?SID=251cd3893df6a740531790a25d71377a&node=24:1.1.1.1.41&rgn=div5>

Once on the website, scroll down to Subpart G – Community Housing Development Organizations and click on the section number to review the CHDO information.

Eligible Activities Include:

- Assisting homebuyers with purchasing newly constructed housing developed by the CHDO;
- Assisting homebuyers with purchasing housing that was purchased and rehabilitated by the CHDO;
- Developing newly constructed affordable housing; and
- Purchasing an existing building and rehabilitating it for use as affordable housing.

### **C. Ineligible Activities**

Any activity not specifically authorized under Eligible Activities is ineligible to be carried out with HOME Funds. This section further identifies ineligible activities:

1. Furnishings and personal property not an integral structural fixture including the purchase of equipment, fixtures, and motor vehicles;
2. Mobile homes, as defined by the Department;
3. The following activities, if not directly related to eligible housing activities including, but not limited to: housing education, acquisition of property and easements, public facilities development or improvements, relocation, clearance, and demolition; or

4. Properties financed or properties that will be financed with Low-Income Housing Tax Credits are not eligible. Projects that are seeking (but have not received) a Low-income Housing Tax Credit allocation may apply to Nebraska Investment Finance Authority (NIFA) in the NIFA/DED Annual LIHTC set-aside Application Cycle.

#### D. Eligible Costs

1. **New Construction:** NAHP funds may be used for new construction of housing. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.
2. **Rehabilitation:** This includes the alteration, improvement or modification of an existing structure. Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure. *Conversion*, a type of Rehabilitation, is changing the use of an existing structure to one of affordable residential housing. Units cannot be added beyond the building envelope.
3. **Site Improvements:** Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present. Building new, off-site utility connections to an adjacent street is also eligible.
4. **Acquisition of Property:** Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible. This includes direct assistance to homebuyers.
5. **Acquisition of Vacant Land:** Acquisition of vacant land is allowed. The use of the land must be protected by a restrictive covenant ensuring that the only eligible future use is housing for income-qualified households.
6. **Acquisition and/or Acquisition with Rehabilitation:** Funds may be used to acquire a vacant building or building not currently being utilized for rental housing and adapt the building to residential multi-family housing. The acquisition purchase price must be less than or equal to the value identified in an independent appraisal.
7. **Housing Management/Project Soft Costs:** Housing Management /Project Soft Costs must be reasonable. These costs include: finance-related costs; credit reports; title binders and insurance; surety fees; recordation fees; transaction taxes; legal and accounting fees including: cost certification; appraisals; environmental reviews; builders' or developers' fees; architectural, engineering and related professional services; homebuyer counseling; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects.

#### E. Grant Amounts & Funding Source

The CHDO activities set-aside amount is \$750,000, with the three highest scoring eligible applicants being recommended for funding. Each eligible applicant can apply for a maximum activity grant amount of \$250,000 (0531 or 0542) and up to \$16,000 in Organizational Operating (0505), for a total of no more than \$266,000 per project.

Contracts will be 24 months.

**Essential Documentation & Submittal Instructions**

This section contains all forms and exhibits to be submitted so that your application can be reviewed. The Department reserves the right to verify all information and to consult with other agencies on the proposed project.

**Documentation**

The following checklist is to help ensure you have included all required information.

<b>Part I</b>	<b>Yes</b>	<b>No</b>
Is the applicant identification section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the application preparer’s section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the program activity indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate district indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate service area indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the household beneficiary complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the certified official section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the original copy appropriately bound and submitted?	<input type="checkbox"/>	<input type="checkbox"/>
Is the digital copy uploaded?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part II</b>		
Is the Funding Summary complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part III</b>		
Is the Part III Budget complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Table of Contents</b>		
Is an updated Table of Contents with page numbers and titles of sections included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Project Description</b>		
Is the Project Description included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix A Implementation Schedule</b>		
Is the Implementation Schedule included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix B Development Pro-Forma</b>		
Is a Development Pro-Forma necessary? (See Appendix C. Applicable to purchase/rehab/resale, new construction and/or subdivision infrastructure development)	<input type="checkbox"/>	<input type="checkbox"/>
Is the Development Pro-Forma complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix C Proposed Lease Agreement</b>		
Is a Proposed Lease Agreement necessary? (See Appendix D. Applicable to short-term lease purchase)	<input type="checkbox"/>	<input type="checkbox"/>
Is the Proposed Lease Agreement complete and clear?	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix D Required Exhibits for Non-profit**

<b>Exhibit</b>	<b>Description</b>	<b>Yes</b>	<b>No</b>
<b>Exhibit L</b>	FFATA Reporting Form/Certification	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit N</b>	SAM (System for Award Management Documentation)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit O-1</b>	Four Factor Analysis Assessing Limited English Proficiency		
<b>Exhibit O-2</b>	Language Assistance Plan		
<b>Exhibit Q-1</b>	Non-Profit Application Certification Form	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit R</b>	Authorizing Resolution (for Non-Profit)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit S</b>	Determination of Level of Review Form	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit T</b>	Proof of Non-Profit Status & Certificate of Good Standing	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix E Additional Exhibits for Non-profits**

If applicable to Part IV, please include the following exhibits:			
Exhibit Name	Description	Yes	No
Exhibit 101	Open grants information spreadsheet (Form on website)	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit 102	Project Financing and Credit Documentation (This may include, but not limited to: Bank Line of Credit, Bank Letter of Credit, or third party documentation)	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit 103	Succession Plan	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit 104	Balance Sheet and Income & Expense Statement	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix F Applicant Specific Attachments (Optional)**

Name each Applicant Specific Attachment (not listed elsewhere) as: "Attachment [appropriately detailed title]"			
Attachment Name	Description	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

The following criteria will be verified by DED:	Yes	No
1. HOME CHDO applicant's eligibility on sam.gov.	<input type="checkbox"/>	<input type="checkbox"/>
2. Applicant is eligible (non-profit: proof of non-profit status and Cert. of Good Standing).	<input type="checkbox"/>	<input type="checkbox"/>
3. Activities are eligible and comply with HOME regulations.	<input type="checkbox"/>	<input type="checkbox"/>
4. Applicant has addressed compliance problems.	<input type="checkbox"/>	<input type="checkbox"/>
5. Applicant is current with all reporting requirements.	<input type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="170 331 1339 472"><b>6. If the project involves new construction and/or subdivision infrastructure development</b> (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved), please attach a development pro forma detailing incremental development.</p> <p data-bbox="219 514 1339 619">Note: Projects involving New Construction and/or Subdivision Infrastructure will be required to complete the following steps prior to a Notice of Release of Funds or prior to a stage mutually agreed upon by the applicant and DED during contract negotiations. These steps include:</p> <ul style="list-style-type: none"> <li data-bbox="219 651 1339 787">i. The site(s) must be reviewed and approved by DED housing staff prior to any activity, including land purchase. Grantee must request a site review from the regional housing representative no later than 45 days prior to purchase. <a href="https://opportunity.nebraska.gov/program/home/#guidelines">https://opportunity.nebraska.gov/program/home/#guidelines</a></li> <li data-bbox="219 798 1339 861">ii. Site Plan and Preliminary Architectural Designs must be reviewed and approved by DED housing staff prior to any activity, including land purchase.</li> <li data-bbox="219 871 1339 966">iii. A final Development Pro Forma based upon the approved site, site plan, and preliminary architectural designs must be reviewed and approved by DED housing staff prior to any activity, including land purchase.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
7. If you are proposing a lease-purchase project, attach the proposed lease agreement.	<input type="checkbox"/>	<input type="checkbox"/>
8. <b>Fair Housing</b> – Provide an explanation of the Fair Housing Act and Section 504 accessibility requirements applicable to the project. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met and/or exceeded. Requirements are not limited to project design. DED may consult other agencies to review the project for compliance with these requirements.	<input type="checkbox"/>	<input type="checkbox"/>

## Application Submittal Instructions

### **\*In submitting your application, these instructions must be followed:**

- Submit the original signed hardcopy application and upload or email scanned copy of the original;
- Number all pages, exhibits inclusive, sequentially in the bottom right-hand corner, include the exhibit number above the page number. Handwritten numbers are acceptable;
- Upload or email scanned copy as one file (PDF, Microsoft Word, or Excel only). (DED suggests printing and numbering the entire original hardcopy first, then scanning each portion into its own file and then uploading. This will ensure the page numbers of the digital copy match those of the original.) Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.
- Two-Hole punch the original application in the center top; and
- Include a Table of Contents for both, the original hard copy and the scanned copy.

### **\*Below is an outline of what your CHDO Funding Application should look like:**

- Part I. General Information** (use required form)
- Part II. Funding Summary** (use required form)
- Part III. Project Budget and Financing** (follow instructions)
- Table of Contents** (include page numbers and title of sections)
- Project Description** (follow instructions)
- Part IV CHDO Eligibility**
- Part V CHDO Project Design and Impact**
- Implementation Schedule** (Appendix A)
- Development Pro-Forma** (Appendix B)
- Proposed Lease Agreement, Transition Plan, Tenant Policy, & Tenant Rules** (Appendix C)
- Required Exhibits** (Appendix D, forms and instructions included in Chapter 4)
  - L FFATA Reporting Form/Certification
  - N SAM (System for Award Management Documentation)
  - O-1 Four Factor Analysis Assessing Limited English Proficiency
  - O-2 Language Assistance Plan
  - Q-1 Non-Profit Application Certification Form
  - R Authorizing Resolution (for Non-Profit)
  - S Determination of Level of Review Form
  - T Proof of Non-Profit Status & Certificate of Good Standing
- Additional Exhibits** (Appendix E, if applicable)
  - 101 Open grants information spreadsheet
  - 102 Project Financing and Credit documentation
  - 103 Succession Plan
  - 104 Balance Sheet and Income & Expense Statement
- Applicant Specific Attachments** (Appendix F, if applicable)

## Application Forms and Instructions

### Part I. General Information Instructions

*Type all information except where signatures are required.*

**Pre-application Number:** Enter the Pre-application number assigned by the Department.

**Box 1:** Provide the requested information.

**Box 2:** Provide the requested information. Check the appropriate application preparer box.

**Box 3:** Check the appropriate box(es) for the type of activity(ies) for which the Applicant is applying, including proposed activities to be funded with both NAHP funds and Other funds.

#### **Terms:**

Development Subsidy – difference between the cost to develop the home (build or acquire and rehabilitate) and the appraised value of the home that will not be paid by the homebuyer.

Direct Homebuyer Assistance – subsidy provided for the costs of purchasing the home, including closing costs and fees.

Gap Subsidy – the difference between the value of the home and the purchase price of the home (a form of direct homebuyer assistance).

Newly constructed homes – homes where the construction of the home began after the application for NAHP assistance was submitted to DED.

Previously Existing Homes – homes where the construction of the home began prior to the application of NAHP assistance was submitted to DED.

**Box 4: Select the primary Congressional District** (check only one box) where the project will primarily be located in for purposes of determining proper Congressional District allocation. Each applicant must designate a single Congressional District (and a single sub-district if applicable), but each applicant will not be restricted to only working within a single Congressional District or Sub-District. Statewide or regional programs also select which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District or Sub-District.

**Box 5:** Indicate the area where the program will take place. Enter the municipalities (i.e. Village or City) that will be served by the project and the counties where those municipalities will be located. Also, enter the appropriate Congressional and Legislative District(s) information. Please indicate if project is in an Enterprise Zone.

**Box 6:** Check the appropriate applicant type box under which funds are being requested.

**Box 7:** Enter the number of households to be served by the proposed project at the maximum income allowed program-wide.

**Box 8:** Type the name and title of the Certifying Official and date. **Sign in blue ink.** The Certifying Official for a non-profit or public housing authority applicant is the official authorized by the governing body to sign applications for state and federal funding. If the Certifying Official for a non-profit is not the Board President or Board Chair, attach the authorizing documentation of the governing body that allows the designated certifying official to sign the application.

**Box 9: SUBMIT THE HOME CHDO ELIGIBILITY AND FUNDING APPLICATION – Original Hard Copy and Scanned Copy**

SUBMIT ORIGINAL HARDCOPY BY MAIL OR IN PERSON TO:

**Nebraska Department of Economic Development  
Housing Application Coordinator  
Housing and Community Development  
301 Centennial Mall South - PO Box 94666  
Lincoln, NE 68509-4666**

ALSO UPLOAD A SCANNED COPY TO: <https://negov.sharefile.com/r-r384c40e5dd5491fa>.

**Part II. Funding Summary Instructions**

Enter dollar amounts into the appropriate boxes in the funding summary table. The Part II Funding Summary should correlate with Part III Project Budget & Financing. Include requested HOME CHDO Funds, Matching Funds, Leveraged Funds, and In-Kind Funds to be included in the Award Contract. Please describe the source of all Funds, including funds provided by the homebuyer, lenders, builders, etc. Note: Nebraska Affordable Housing Program Funds cannot be used as match with any other form of Nebraska Affordable Housing Program Funds, including Program Income; also Other Funds cannot include mortgages.

If you have any questions about Activity Codes direct them to DED.

**The Department reserves the right to non-select an application at any point during the review process if the applicant does not have the full funding commitment of all other key investors prior to application due date.**

**Part III. Project Budget and Financing Instructions**

Provide a detailed budget for the proposed program, including program costs, housing management (also referred to as housing administration or project soft costs) and organizational operating. The budget should include: 1) costs for each item; and, 2) the proposed or likely funding source for each item. Include the cost per unit for housing management and general administration costs.

*Program Costs*

List for each activity the major costs by line item. Major line item costs for Housing Management include “soft” costs such as providing homebuyer education; architectural, engineering or legal fees; appraisal costs; housing inspection fees and other expenses to carry out the housing program. Program costs are the “hard” costs of acquisition, rehabilitation or construction costs. The total line item costs for each activity must equal the totals by activity shown on Part II.

*Administration Costs*

*Organizational Operating (activity number 0505)*

The organizational operating budget includes those costs that are administrative in nature and are attributable to the receipt of the award. Common line item costs in this activity are environmental review, audits, labor standards enforcement, preparation of required grant progress reports and draws, etc. It is acceptable to use salaries and benefits as line item costs. However, the specific duties that are to be performed should be noted under the salaries and benefits line item.

*Proposed Funding Source*

All budget items should indicate the proposed source of funds for that item. DED understands that the application budget and financing is a proposal only and may vary somewhat during project implementation. Nonetheless, a budget indicating both sources and uses must be submitted. Projects with phases of activity such as purchase of an existing home by a developer, rehabilitation of the home, and resale of the home must indicate the use and



source of funds for costs in each phase. For new construction, submit a single-family housing development pro forma in conjunction with the project budget and financing to demonstrate the sources, uses, and multiple phases in a project.

### **Table of Contents Instructions**

Include a Table of Contents in both the original hardcopy application and in the scanned digital copy. Number every single page, include exhibit information above page number (handwritten page numbers are appropriate). Page numbers for the scanned digital copy should reflect the page numbers on the original hard copy submitted Application and correspond to the Table of Contents.

DED suggests printing and numbering the entire original hardcopy first, then scanning the application file for upload to the DED link. This will ensure the page numbers of the digital copy match those of the original. Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.

Below is a sample Table of Contents, include the title of the section and exhibit information. Some forms listed below may not be applicable depending upon the application activity, content and organizational type.

#### **Part I. General Information**

#### **Part II. Funding Summary**

#### **Part III. Project Budget and Financing**

#### **Table of Contents**

#### **Project Description**

#### **Part IV. CHDO Eligibility**

#### **Part V. CHDO Project Design and Impact Questions**

#### **Implementation Schedule (Appendix A)**

#### **Development Pro-Forma (Appendix B)**

#### **Required Exhibits (Appendix D, forms and instructions included in Chapter 4 Exhibits)**

**L FFATA Reporting Form/Certification**

**N SAM (System for Award Management Documentation)**

**O-1 Four Factor Analysis Assessing Limited English Proficiency**

**O-2 Language Assistance Plan**

**Q-1 Non-Profit Application Certification Form**

**R Authorizing Resolution (for Non-Profit)**

**S Determination of Level of Review Form**

**T Proof of Non-Profit Status & Certificate of Good Standing**

#### **Additional Exhibits (Appendix E, if applicable)**

**101 Open grants information spreadsheet**

**102 Project Financing and Credit documentation**

**103 Succession Plan**

**104 Balance Sheet and Income & Expense Statement**

#### **Applicant Specific Attachments (Appendix F, if applicable)**

### **Project Description Instructions**

Include a description of the **proposed project** including information on all the proposed activities within the project, regardless of funding source. The Project Description should be 2 – 3 pages in length and summarize the project, including but not limited to, the type of project, where the project will take place, and who the project will serve.

**Part V: CHDO Project Design and Impact Instructions**

- a) **Need / Impact**
- b) **Project Financing and Credit**
- c) **Collaboration**
- d) **Capacity / Readiness**
- e) **Financial Management**

Answer the Part V Application Questions by checking the appropriate boxes and explaining your answer in the space provided below the question. Use additional sheets of paper as needed; please include the questions along with all applicable answers.

For sections that ask for more information in the form of an exhibit, please include the exhibit in the application. For sections that require further documentation beyond requested exhibits, please include the documentation as an *Applicant Specific Attachment*, labeling it appropriately. Also, include the page and/or section number in the far right column.

**Selection Criteria Matrix**

The following Selection Criteria Matrix is provided in order to provide information on the Characteristics, Criteria, and Total Possible Points for each application.

**Failure of the Applicant to score 200 total points on the application will result in the Application not being funded during the 2018 HOME CHDO Cycle.**

<b>Selection Criteria Matrix</b>		
<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
1. Need / Impact	75	
2. Project Financing & Credit	125	
3. Collaboration	50	
4. Capacity / Readiness	125	
5. Financial Management	125	
<b>Total Possible Points</b>	<b>500</b>	



**HOME CHDO PROGRAM  
PART II. FUNDING SUMMARY**

Code	Activity	NAHP Funds	Project Financing			Total Funds	Source(s) of Other Funds
			Matching Funds <sup>1</sup>	Leveraged Funds <sup>2</sup>	In-Kind Funds <sup>3</sup>		
0531	SF Purchase/Rehab/Resale						
0542	SF New Construction Homebuyer <sup>4</sup>						
	<b>Subtotal</b>						
0505	Organizational Operating <sup>5</sup>						
<b>1000</b>	<b>TOTAL PROGRAM COSTS</b>						

*Clarification for the above activities should be directed to DED.*

<sup>1</sup> Matching Funds are resources used within the project and are included in the contract budget. Matching Funds are unrestricted cash contributions committed at the time of application. Matching Funds exclude NAHP Funds, including Program Income.  
<sup>2</sup> Leveraged fund are resources used to leverage the project and are not included in the contract budget.  
<sup>3</sup> In- Kind funds are additional resources or activities that enhance the project and are not included in the contract budget. In-Kind funds exclude mortgages, donations, and fees from the low-income beneficiary.  
<sup>4</sup> New Construction includes the hard costs for acquiring land, constructing homes and development subsidy (the difference between the cost to develop and build the home and the sale price of the home).  
<sup>5</sup> Organizational Operating maximum is \$45,000.

**HOME CHDO PROGRAM  
PART IV. CHDO ELIGIBILITY**

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**Requirements for Eligibility as a CHDO Form**

1. Complete the form by checking the boxes and indicating the **specific** page numbers that the documentation can be found in the application to demonstrate that the organization does meet all the requirements as outlined in I through X.
2. Attach all required documentation as outlined previously.

**Requirements are in the three areas of legal status, organizational structure, and capacity and experience.**

---

**Legal Status**

- A.** The organization has the legal ability to operate in Nebraska and is maintaining its status.

Attach the Certificate of Good Standing from the Secretary of State's website at: <http://www.sos.ne.gov/dyindex.html>. Attach and label it as Attachment A.

- B.** The organization must specifically adhere to the following three criteria demonstrated in one or more of documents listed in the box below.

1. One of the purposes of the organization is to provide decent housing that is affordable to low- and moderate-income persons.

- Charter** (Page Number \_\_\_\_\_)  
**AND/OR**
- Articles of Incorporation.** (Page Number \_\_\_\_\_)  
**AND/OR**
- By-Laws** (Page Number \_\_\_\_\_)  
**AND/OR**
- Resolution of the Organization's Board of Directors** (Page Number \_\_\_\_\_)

2. No part of the organization's earnings may benefit any members, founders, contributors or individuals.

- Charter** (Page Number \_\_\_\_\_)  
**AND/OR**
- Articles of Incorporation.** (Page Number \_\_\_\_\_)  
**AND/OR**
- By-Laws** (Page Number \_\_\_\_\_)  
**AND/OR**
- Resolution of the Organization's Board of Directors** (Page Number \_\_\_\_\_)

3. The organization must serve a clearly defined geographic service area that may be a neighborhood, city or cities, county or counties, but not the whole state (clearly identify the service area).

- Charter** (Page Number \_\_\_\_\_)  
**AND/OR**
- Articles of Incorporation.** (Page Number \_\_\_\_\_)  
**AND/OR**
- By-Laws** (Page Number \_\_\_\_\_)  
**AND/OR**
- Resolution of the Organization’s Board of Directors** (Page Number \_\_\_\_\_)

C. The organization must identify other non-profits and local governments providing affordable housing in their defined service area and describe how they interact in providing housing in the area in an efficient non-duplicative manner.

- Narrative Describing the Above:** (Page Number \_\_\_\_\_)  
**AND**
- Organization’s Service Area Map** (Page Number \_\_\_\_\_)

D. The organization must have received a tax-exempt ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. The 501(c) designations permissible are 501(c)(3), 501(c)(4), and Section 905 status as a subordinate organization of a 501(c) organization. The designation may be either a valid conditional or final 501(c) designation from the IRS.

- Letter from the IRS for either final or conditional 501(c) designation** (Page Number \_\_\_\_\_)

### Organizational Structure

**A CHDO board must be composed as follows:**

- A **minimum** of one-third **must** be low-income representatives
- A **maximum** of one-third **may** be representatives of the public officials or employees of a governmental entity.

#### Eligible Low-Income Representatives:

- **A low-income resident** – An individual who certifies that they qualify as low-income (family income at or below the 80% area median family income).
- **A resident of a low-income neighborhood** – An individual who certifies that they live in a neighborhood that is no less than 51% low-to-moderate income.
- **An elected representative of a low-income neighborhood organization.**

*Note: For urban areas, “community” may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a city, village, county, or multi-county area (but not the entire State).*

#### Public Sector Representatives:

- **Elected Officials** – **City, County, or State** elected representatives.
- **Public Employees** – all employees of **City, County, and State** government.

*Note: Members of the CHDO board appointed by public officials of the State cannot select other members of the board.*

*Note: Board members meeting the definition of a public sector representative cannot meet the definition of a low-income representative for purposes of required board composition.*

E. The organization must clearly commit to a governing board structure of at least one-third low-income representatives and no more than one-third public sector representatives, as evidenced by By-Laws, Charter, or Articles of Incorporation.

**By-Laws** (Page Number \_\_\_\_\_)

OR

**Charter** (Page Number \_\_\_\_\_)

OR

**Articles of Incorporation.** (Page Number \_\_\_\_\_)

F. The organization must demonstrate that the current board meets the requirements that at least one-third of the board are low-income representatives and no more than one-third are public sector representatives.

**Submit a list of current board members with names, addresses and places of employment with the low-income representatives and public sector representatives identified**  
(Page Number \_\_\_\_\_)

AND

**Submit signed certifications from each low-income representative attesting that they meet the criteria as low-income OR have met the criteria as an individual that lives in a neighborhood that is no less than 51% low-to-moderate income** (Page Number \_\_\_\_\_)

#### Low-Income Input

G. Input from the low-income community is not met solely by having low-income representation on the board. A CHDO must also have a formal process for community involvement, including input from the low-income community, to advise the CHDO on **design, location of sites, development and management of affordable housing.**

CHDOs should establish systems for community involvement in parts of their service areas where housing will be developed, but which are not represented on their boards. Such systems might include special committees of neighbors of a proposed development site, neighborhood advisory councils or open town hall meetings. **Submit written and adopted process for low-income input.**

*NOTE: This is the most common deficiency in CHDO applications. This input process must be demonstrated as institutionalized through the by-laws or board resolutions and followed for every proposed housing project that the organization is involved. Submitting a process that is not sufficient will result in the organization not meeting 2018 HOME CHDO criteria.*

**By-Laws** (Page Number \_\_\_\_\_),

OR

**Board Resolutions** (Page Number \_\_\_\_\_)

## Capacity and Experience

### Experience

- H. A CHDO must demonstrate that it has at least one year of experience serving the community where it intends to develop HOME-assisted housing. Newly created organizations wishing to become CHDOs can meet this requirement if the sponsoring organization is a nonprofit and has provided services to the community for at least one year. The year of service does not have to be directly related to housing.
- Submit written narrative, newspaper clippings, annual reports, other funding approvals or other evidence that applicant organization or its sponsor has at least one year in serving the community (Page Number \_\_\_\_\_)**
  - OR**
  - Submit written narrative, newspaper clippings, annual reports or funding approvals as evidence of CHDO activities undertaken within the last five years in the service area (Page Number \_\_\_\_\_)**
  - OR**
  - Submit a written statement from your NDED housing representative that the organization has experience serving the community**

### Capacity

- I. CHDOs must demonstrate their capacity to carry out the HOME-assisted activities they are planning. This means the CHDO must have one of the following:
- Experienced key staff that has successfully completed projects similar to those proposed by the CHDO. While CHDOs may rely upon volunteers to augment capacity or perform some functions, key staff must be paid employees of the CHDO (employees of another organization that contractually provides staff to the CHDO does not meet this requirement).
- Submit resumes and narrative descriptions of the experience of key staff members to carry out HOME-assisted/CHDO activities.**

### Financial

- J. CHDOs must have financial accountability standards that conform to 2 CFR 200.302, 'Financial Management' and 2 CFR 200.303, 'Internal Controls'.

NOTE: The notarized statement or certification must specifically state that the applicant organization has standards of financial accountability that conform to 2 CFR 200.302, 'Financial Management' and 2 CFR 200.303, 'Internal Controls'. Notarized statements or certifications that refer to any other accounting standards will not be a sufficient demonstration that the organization meets this criterion for eligibility.

- Submit a notarized statement by the president or chief financial officer of the organization (Page Number \_\_\_\_);**
- OR**
- Submit a certification from a Certified Public Accountant (Page Number \_\_\_\_);**
- OR**
- A HUD approved audit summary (Page Number \_\_\_\_).**



**Sponsored CHDOs (Complete this section if applicable)**

**K.** Nonprofits that have been sponsored by other nonprofits, charities, religious organizations, local or state government, public agencies or for-profit corporations may qualify as CHDOs, but certain additional requirements and board limitations can apply.

Nonprofit and charity sponsors:

There are no limits on the proportion of the board that may be appointed by nonprofit or charity sponsors, as long as the minimum one-third low-income representation is met and the maximum one-third public sector representation is not exceeded.

Religious organization sponsors:

Religious organizations cannot qualify as CHDOs, but they may sponsor the creation of wholly secular nonprofits (Section 92.257 of the HOME Final Rule). There are no limits on the proportion of the board that may be appointed by the religious organization. However, the religious organization may not control the nonprofit. The developed housing must be used exclusively for secular purposes. It must also be ensured that housing owned, developed, or sponsored by the organization will be made available to all persons, regardless of religious affiliation or belief.

Local/state government and public agency sponsors:

A local or state government and/or a public agency cannot qualify as a CHDO, but may sponsor the creation of CHDOs. Government officials and appointees of the government cannot exceed one-third of the members of the board. All other CHDO rules and requirements also apply.

For-profit corporate sponsors:

A CHDO cannot be controlled by, nor be under the direction of, for-profit entities, or individuals seeking profit from the organization. CHDOs may be sponsored or organized by a for-profit if the primary purpose of the for-profit sponsor is not the development or management of housing (that is, a builder, developer, or real estate management firm may not spin off a CHDO). The for-profit sponsor cannot appoint more than one-third of the CHDO's governing board and the board members appointed by the for-profit cannot appoint other members of the board. The sponsored CHDO also must be free to contract for goods and services from any vendors it selects.

- Identify the sponsoring entity (Page Number \_\_\_\_\_ )**
- AND**
- Provide evidence that the organization meets the applicable requirements via the organization's By-Laws (Page Number \_\_\_\_\_ )**
- OR**
- Provide evidence that the organization meets the applicable requirements via the organization's Articles of Incorporation (Page Number \_\_\_\_\_ )**
- AND**
- For-profit sponsored organizations must also provide the sponsoring organization's By-Laws proving that the for-profit entity's primary purpose does not include the development or management of housing (Page Number \_\_\_\_\_ )**

## SUPPLEMENTAL INFORMATION

### Timely Production and Occupancy of Assisted Housing

The HOME 2013 Final Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within four years of commitment.** Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [*§92.205(e)(2)*]
- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion;** if not, PJs must repay HOME funds for the vacant units. Note: For units that remain vacant six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD. [*§92.252*]
- **A homebuyer unit must have a ratified sales contract within nine months of construction completion,** or the PJ must either convert it to a HOME rental unit or repay the full HOME investment. [*§92.254(a)(3)*]
- **CHDO set-aside funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation.** The PJ can no longer “reserve” CHDO funds for projects that will be identified at a later date. [*§92.2 Commitment, §92.300(a)(1)*]
- **CHDO set-aside funds must be expended within 5 years of when the PJ receives its formula allocation.** [*24 CFR §92.500(d)(1)(A) and (C), and §92.500(d)(2)*]

**HOME CHDO PROGRAM**  
**PART V. CHDO PROJECT DESIGN AND IMPACT**

1. Need	Page # & Section <u>Cite Below</u>
<p>A) Describe the local need for the proposed HOME CHDO project and how it provides a solution to the immediate housing needs of the area being served.</p> <p>B) Describe the public participation process, and the extent of public involvement, used to identify and address community needs and allocate resources.</p> <p>C) Describe the overall employment opportunities in the project area for the persons served by the proposed HOME CHDO project.</p> <p>D) Describe how the proposed project impacts the targeted community(ies), region and/or service area.</p> <p>Total points possible: 75  0-8 No clearly defined project need  9-37 Minimally defines project need  38-66 Adequately defines project need  67-75 Significantly defines project need</p>	
2. Project Financing and Credit	Page # & Section <u>Cite Below</u>
<p>A) Describe the overall project financing for the proposed HOME CHDO project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources, financing mechanisms (loans, funding pools, etc.), matching funds, leverage funds and in-kind funds.</p> <p>B) Describe the funds the organization has available for equity or capital advances in housing development projects, including, but not limited to a Bank Line of Credit, a Bank Letter of Credit and/or other resources. The description should also include:</p> <ol style="list-style-type: none"> <li>i. how they assist in the projects cash-flow and timely payments of project costs;</li> <li>ii. describe the terms of the funding (including any renewable terms, expiration dates, etc.)</li> </ol> <p>Also Include:</p> <ul style="list-style-type: none"> <li>• Document the funding directly designated for this purpose</li> </ul> <p>Total points possible: 125  0-13 No clearly defined project financing and credit  14-62 Minimal project financing and credit  63-111 Adequate project financing and credit  112-125 Significant project financing and credit</p> <p>(Exhibit 102 Project Financing and Credit Documentation (This may include, but not limited to: Bank Line of Credit, Bank Letter of Credit, or third party documentation))</p>	

<b>3. Collaboration</b>	Page # & Section <u>Cite Below</u>
<p>A) Describe the collaboration, community support and partnerships that it takes to manage a project at a local level; including:</p> <ol style="list-style-type: none"> <li>i. Contractors / Professional Service Providers – Describe the relationships that the organization has with contractors, consultants and other professionals it uses for its CHDO projects;</li> <li>ii. Community Relations – Describe the reputation of the organization and the relationship with the community (and/or service area), including those with the community at-large, local governments and community leadership. Describe how the community supports the organization’s housing activities, including the HOME CHDO project.</li> <li>iii. Describe how the collaborations with the partnerships are involved in the project, pre-development and post-award and how they assist in timely completion of the organization’s proposed HOME CHDO project.</li> </ol> <p>Total points possible: 50</p> <p>0-5            No clearly defined project collaboration</p> <p>6-25          Minimally defines project collaboration</p> <p>26-45        Adequately defines project collaboration</p> <p>46-50        Significantly defines project collaboration</p>	
<b>4. Capacity/Readiness</b>	
<p>A) Describe the organization’s capacity and commitment to implement the project in a timely manner:</p> <ol style="list-style-type: none"> <li>i. Board Stability – Describe the stability/continuity of the organization’s board members over the last 3 years; and, the board’s professional skills directly relevant to housing development;</li> <li>ii. Development Oversight – Describe the boards committee structure and/or other means of overseeing planning and development (this may include a description of the Executive Leadership’s role to development oversight);</li> <li>iii. Strategic Plan – Has the organization produced a strategic plan that specifies an action plan for housing development? If so, please describe and provide the current status of the housing development within the Strategic Plan.</li> <li>iv. Decision-making – Describe how the board and/or Executive Leadership has demonstrated the ability to make timely decisions;</li> <li>v. Board / Staff Relations – Describe the relationship that exists between the board and staff. Describe the shared goals of board and staff;</li> <li>vi. Project Experience – Describe the organization’s experience with housing-related and/or HOME-assisted/CHDO-related activities. Include a description of how the project activities were performed on schedule and within budget.</li> </ol> <p>Also Include:</p> <ul style="list-style-type: none"> <li>• Detailed documentation of the organization’s projects (both housing and non-housing) and/or DED-funded projects the Applicant has completed in the past 10 years, including notation of HOME-assisted/CHDO projects;</li> </ul>	

<ul style="list-style-type: none"> <li>• List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, 2015, or 2016, including the reason the extension was requested.</li> </ul> <p>B) Describe the development capacity of the organization, housing-related and/or HOME-assisted/CHDO-related to implement the HOME CHDO project in a timely manner:</p> <ol style="list-style-type: none"> <li>i. Key Roles – Describe the key roles and responsibilities of the organization’s staff that will be responsible for the implementation of the HOME CHDO Project (these could include, but not be limited to: Executive Director, Deputy Director, Financial Operations, Project Development Staff, Intake/Education Staff or Consultants, Compliance Staff, etc.). Include in the descriptions what specific experience these individuals have had with HOME-assisted/CHDO-related projects.  INCLUDE STAFF SKILLS, SUCH AS: <ul style="list-style-type: none"> <li>▪ Market Analysis</li> <li>▪ Legal / Financial aspects of housing development</li> <li>▪ Management of real estate development</li> <li>▪ Oversight of design and construction management</li> <li>▪ Marketing and intake</li> </ul> </li> <li>ii. Property Portfolio – Describe the organization’s portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the organization’s development have adequate funding.</li> <li>iii. Management Capacity – Describe how the current management has the ability to manage additional development/CHDO-related activities.</li> <li>iv. Procedures – Describe the policies and procedures in place governing development/CHDO-related activities.</li> <li>v. Project Management – Describe the procedures in place for monitoring the progress of the project.</li> <li>vi. Training – Describe how the staff are encouraged to obtain training and develop new skills. Describe the staff training plan of the organization. Describe training that staff have had directly relative to HOME, HOME CHDO and/or the 2013 Final HOME Rule.</li> </ol> <p>Total points possible: 125  0-13 No clearly defined capacity/readiness  14-62 Minimal capacity/readiness  63-111 Adequate capacity/readiness  112-125 Significant capacity/readiness</p> <p>(Exhibit 103 Succession Plan)</p>	
<b>5. Financial Management</b>	Page # & Section <u>Cite Below</u>
A) Describe the financial management of the organization: <ol style="list-style-type: none"> <li>i. Audit – Does the organization have an annual audit? What time period does the most recent audit cover? Were there management or compliance findings in the last two years? Are they resolved? If there</li> </ol>	

<p>were findings, please describe the nature of the findings and the resolution to the findings.</p> <ol style="list-style-type: none"> <li>ii. Budgeting – Does the organization undertake annual budgeting of its operations and all activities or programs? Does it track and report budget v. actual income and expenses?</li> <li>iii. Reporting – Is financial reporting regular, current and sufficient for the board to forecast and monitor the financial status of the organization?</li> <li>iv. Cash Flow Management – Describe the organization’s current cash position and how it maintains controls over expenditures.</li> <li>v. Internal Controls – Describe the internal controls of the organization to ensure separation of duties and safeguarding of assets. Describe the organization’s oversight of all financial activities.</li> <li>vi. Insurance – Does the organization maintain adequate insurance – liability, fidelity bond, workers comp, property hazard and project? Please describe.</li> <li>vii. Liquidity – Does the organization have liquid assets available to cover current expenses? Does the organization have funds available for pre-development expenses or equity investments required for development? Please describe the organizations liquidity.</li> </ol> <p>Also include as Exhibit</p> <ul style="list-style-type: none"> <li>• Most recent Board-approved Balance Sheet and Income &amp; Expense Statement (profit &amp; loss).</li> </ul> <p>Total points possible: 125</p> <p>0-13            No clearly defined financial management  14-62           Minimal financial management  63-111        Adequate financial management  112-125      Significant financial management</p> <p>(Exhibit 104 Balance Sheet and Income &amp; Expense Statement)</p>	
<b>TOTAL POSSIBLE POINTS – 500</b>	

**APPENDIX A – IMPLEMENTATION SCHEDULE**

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Implementation Schedules forms are available at <https://opportunity.nebraska.gov/program/home/#guidelines>. You must use this form and attach to your application.

1. List the target(s) for your project. The target must contain: a) the number of proposed units; b) the income of those affected; c) the type of program; d) where the target will be achieved, and e) date the project or program will be fully completed and verifiable.
2. List all proposed due dates for sections required by program type.

The more details that can be provided about the actual project, the methods used to achieve the project, and information about the persons responsible for project implementation and development will benefit the applicant in the DED application review process.

**APPENDIX B – DEVELOPMENT PRO-FORMA**

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The Development Pro-Forma is applicable to purchase/rehab/resale, and/or new construction (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved).

If applicable, please attach a development pro forma detailing incremental development. **Upload scanned or email document as an excel document.** (To: <https://negov.sharefile.com/r-r384c40e5dd5491fa>, or email to Kylee Bischoff at: [Kylee.Bischoff@nebraska.gov](mailto:Kylee.Bischoff@nebraska.gov) )

**APPENDIX D – REQUIRED EXHIBITS (CAN BE FOUND IN CHAPTER 10)**

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**Non-profit organization:**

- EXHIBIT L** FFATA Reporting Form/Certification
- EXHIBIT N** SAM (System for Award Management documentation)
- EXHIBIT O-1** Four Factor Analysis Assessing Limited English Proficiency
- EXHIBIT O-2** Language Assistance Plan
- EXHIBIT Q-1** Non-Profit Application Certification Form
- EXHIBIT R** Authorizing Resolution for Non-profit organization (sample format provided)
- EXHIBIT S** Determination of Level of Environmental Review
- EXHIBIT T** Proof of Non-Profit Status and Certificate of Good Standing

**APPENDIX E – ADDITIONAL EXHIBITS**

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Please include the following exhibits noted below. Clearly identify each exhibit number in bottom right of each page of the exhibit.

- Exhibit 101 Open grants information spreadsheet at: <https://opportunity.nebraska.gov/program/home/#guidelines>
- Exhibit 102 Project Financing and Credit documentation
- Exhibit 103 Succession Plan
- Exhibit 104 Balance Sheet and Income & Expense Statement

## APPENDIX F – APPLICANT SPECIFIC ATTACHMENTS

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If applicable, please include any attachments not previously included. Clearly identify each attachment name in bottom right of each page. On the scanned copy, please label each attachment name to correspond with the original submitted copy. Please include as many additional attachments as is necessary to support the Part V project design and impact answers.

- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]



# 2018

## HOME INVESTMENT PARTNERSHIP PROGRAM

### CHAPTER 3:

## HOME CHDO Operating Eligibility and Funding Application

### Application Forms, Instructions, and Application Guidelines

Program Year (July 1, 2018 through June 30, 2019)

**Nebraska Department of Economic Development**

*HOME Investment Partnership Program*

**NEBRASKA**

**HOUSING AND COMMUNITY  
DEVELOPMENT**

# CHDO Eligibility and Funding Application

## Forms and Instructions

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These Application Guidelines are for CHDO operating activities. These Guidelines are designed for those applicants applying in the CHDO Operating Cycle. These applications are due September 28, 2018.

### Basic Information

The HOME program is funded with resources from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships (HOME) program.

### HOME CHDO Cycle Process

- CHDO Eligibility and Funding Applications are due by September 28, 2018.
- The applicant will need to complete the CHDO Eligibility and Funding Application. At the end of the application period the Department reviews applications and determines which organizations are eligible CHDOs. If eligible for CHDO status, the application will be scored within the CHDO Operating cycle with other eligible applications for CHDO Operating HOME funds in Program Year 2019. (July 1, 2018 to June 30, 2019).
- Applications are prepared at the applicant's expense.

### Eligibility

#### **A. Eligible Applicants**

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 these guidelines. The Nebraska Department of Economic Development (DED or "the Department") determines nonprofit organizations as an eligible CHDO as defined in the HOME Investment Partnerships Program 2013 Final Rule Subpart A, §92.2.

#### **B. Eligible Activities**

State of Nebraska Department of Economic Development Reference HUD 24 CFR 92.300; 24 CFR 92.252 and 24 CFR 92.254.

The website link for CHDO eligible activities under 24 CFR Part 92.300 is: <http://www.ecfr.gov/cgi-bin/text-idx?SID=251cd3893df6a740531790a25d71377a&node=24:1.1.1.1.41&rgn=div5>

Once on the website, scroll down to Subpart G – Community Housing Development Organizations and click on the section number to review the CHDO information.

CHDO Operating expenses means reasonable and necessary costs for:

1. the operation of community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials; and supplies.

### **C. Ineligible Activities**

Project-specific expenses are not eligible. These expenses include costs directly related to implementing a Nebraska Affordable Housing Program funded affordable housing project or program such as staff salaries to accept and review applications for a homebuyer assistance program. On-going rental project operating expenses are not eligible for these funds.

### **D. Eligible Costs**

Within the CHDO Operating funding category, the Department may award funding for eligible operating expenses (not project related):

1. Assist the organization in maintaining the current level of production and/or development of affordable housing;
2. Assist the organization in increasing their capacity; including hiring new staff; and
3. Assist the organization in expanding their services or coverage area.

### **E. Grant Amounts & Funding Source**

**The maximum grant amount request is \$50,000 as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year (this also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a)). The two highest scoring eligible applications will be recommended for funding.**

**If awarded a CHDO Operating grant, the CHDO organization will be expected to have the capacity to have a CHDO Project within 24 months from receiving the CHDO Operating grant.**

Applications must score at least 200 total points on the application to be funded during the 2018 HOME CHDO Operating Cycle.

Contracts will be 24 months.

**Essential Documentation & Submittal Instructions**

This section contains all forms and exhibits to be submitted so that your application can be reviewed. Application narratives should be thorough and concise. The Department reserves the right to verify all information and to consult with other agencies on the proposed project.

**Documentation**

The following checklist is to help ensure you have included all required information.

Part I	Yes	No
Is the applicant identification section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the application preparer’s section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the program activity indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate district indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate service area indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the certified official section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the original copy appropriately bound and submitted?	<input type="checkbox"/>	<input type="checkbox"/>
Is the digital copy uploaded?	<input type="checkbox"/>	<input type="checkbox"/>
Part II		
Is the Funding Summary complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
Part III		
Is the Part III Budget complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
Table of Contents		
Is an updated Table of Contents with page numbers and titles of sections included?	<input type="checkbox"/>	<input type="checkbox"/>
Project Description		
Is the Project Description included?	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix D Required Exhibits for Non-profit**

Exhibit	Description	Yes	No
Exhibit L	FFATA Reporting Form/Certification	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit N	SAM (System for Award Management Documentation)	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit O-1	Four Factor Analysis Assessing Limited English Proficiency	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit O-2	Language Assistance Plan	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit Q-1	Non-Profit Application Certification Form	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit R	Authorizing Resolution (for Non-Profit)	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit S	Determination of Level of Review Form	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit T	Proof of Non-Profit Status & Certificate of Good Standing	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix E Additional Exhibits for Non-profits**

If applicable to Part IV, please include the following exhibits:			
Exhibit Name	Description	Yes	No
Exhibit 101	Open grants information spreadsheet (Form on website)	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit 103	Succession Plan	<input type="checkbox"/>	<input type="checkbox"/>
Exhibit 104	Balance Sheet and Income & Expense Statement	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix F Applicant Specific Attachments (Optional)**

Name each Applicant Specific Attachment (not listed elsewhere) as: “Attachment [appropriately detailed title]”			
Attachment Name	Description	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

<b>The following criteria will be verified by DED:</b>	Yes	No
1. HOME CHDO applicant's eligibility on sam.gov.	<input type="checkbox"/>	<input type="checkbox"/>
2. Applicant is eligible (non-profit: proof of non-profit status and Cert. of Good Standing).	<input type="checkbox"/>	<input type="checkbox"/>
3. Activities are eligible and comply with HOME regulations.	<input type="checkbox"/>	<input type="checkbox"/>
4. Applicant has addressed compliance problems.	<input type="checkbox"/>	<input type="checkbox"/>
5. Applicant is current with all reporting requirements.	<input type="checkbox"/>	<input type="checkbox"/>

## Application Submittal Instructions

### **\*In submitting your application, these instructions must be followed:**

- Submit the original signed hardcopy application and upload or email scanned copy of the original;
- Number all pages, exhibits inclusive, sequentially in the bottom right-hand corner, include the exhibit number above the page number. Handwritten numbers are acceptable;
- Upload or email scanned copy as one file (PDF, Microsoft Word, or Excel only). (DED suggests printing and numbering the entire original hardcopy first, then scanning each portion into its own file and then uploading. This will ensure the page numbers of the digital copy match those of the original.) Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.
- Two-Hole punch the original application in the center top; and
- Include a Table of Contents for both, the original hard copy and the scanned copy.

### **\*Below is an outline of what your CHDO Operating Funding Application should look like:**

- Part I. General Information** (use required form)
- Part II. Funding Summary** (use required form)
- Part III. Project Budget** (follow instructions)
- Table of Contents** (include page numbers and title of sections)
- Project Description** (follow instructions)
- Part IV CHDO Eligibility**
- Part V CHDO Operating Design and Impact**
- Required Exhibits** (Appendix D, forms and instructions included in Chapter 4)
  - L FFATA Reporting Form/Certification
  - N SAM (System for Award Management Documentation)
  - O-1 Four Factor Analysis Assessing Limited English Proficiency
  - O-2 Language Assistance Plan
  - Q-1 Non-Profit Application Certification Form
  - R Authorizing Resolution (for Non-Profit)
  - S Determination of Level of Review Form
  - T Proof of Non-Profit Status & Certificate of Good Standing
- Additional Exhibits** (Appendix E, if applicable)
  - 101 Open grants information spreadsheet
  - 103 Succession Plan
  - 104 Balance Sheet and Income & Expense Statement
- Applicant Specific Attachments** (Appendix F, if applicable)

## Application Forms and Instructions

### Part I. General Information Instructions

*Type all information except where signatures are required.*

**Pre-application Number:** Enter the Pre-application number assigned by the Department.

**Box 1:** Provide the requested information.

**Box 2:** Provide the requested information. Check the appropriate application preparer box.

**Box 3:** Check the appropriate box(es) for the type of activity(ies) for which the Applicant is applying, including proposed activities to be funded with both NAHP funds and Other funds.

**Box 4: Select the primary Congressional District** (check only one box) where the project will primarily be located in for purposes of determining proper Congressional District allocation. Each applicant must designate a single Congressional District (and a single sub-district if applicable), but each applicant will not be restricted to only working within a single Congressional District or Sub-District. Statewide or regional programs also select which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District or Sub-District.

**Box 5:** Indicate the area where the program will take place. Enter the municipalities (i.e. Village or City) that will be served by the project and the counties where those municipalities will be located. Also, enter the appropriate Congressional and Legislative District(s) information. Please indicate if project is in an Enterprise Zone.

**Box 6:** Check the appropriate applicant type box under which funds are being requested.

**Box 7:** Type the name and title of the Certifying Official and date. **Sign in blue ink.** The Certifying Official for a non-profit or public housing authority applicant is the official authorized by the governing body to sign applications for state and federal funding. If the Certifying Official for a non-profit is not the Board President or Board Chair, attach the authorizing documentation of the governing body that allows the designated certifying official to sign the application.

**Box 8: SUBMIT THE HOME CHDO OPERATING ELIGIBILITY AND FUNDING APPLICATION – Original Hard Copy and Scanned Copy**

SUBMIT ORIGINAL HARDCOPY BY MAIL OR IN PERSON TO:

**Nebraska Department of Economic Development  
Housing Application Coordinator  
Housing and Community Development  
301 Centennial Mall South - PO Box 94666  
Lincoln, NE 68509-4666**

ALSO UPLOAD A SCANNED COPY TO: <https://negov.sharefile.com/r-r384c40e5dd5491fa>.

## **Part II. Funding Summary Instructions**

Enter dollar amounts into the appropriate boxes in the funding summary table. The Part II Funding Summary should correlate with Part III Project Budget & Financing. Include requested HOME CHDO Operating Funds, Matching Funds, Leveraged Funds, and In-Kind Funds to be included in the Award Contract. Please describe the source of all Funds. Note: Nebraska Affordable Housing Program Funds cannot be used as match with any other form of Nebraska Affordable Housing Program Funds, including Program Income.

If you have any questions about Activity Codes direct them to DED.

**The Department reserves the right to non-select an application at any point during the review process if the applicant does not have the full funding commitment of all other key investors prior to application due date.**

## **Part III. Project Budget and Financing Instructions**

Provide a detailed two-year operating budget for the organization, including staff salaries and benefits, office equipment, office rent, training, etc.

The more details that can be provided about the intended use of the CHDO Operating funds will benefit the applicant in the DED application review process.

## **Table of Contents Instructions**

Include a Table of Contents in both the original hardcopy application and in the scanned digital copy. Number every single page, include exhibit information above page number (handwritten page numbers are appropriate). Page numbers for the scanned digital copy should reflect the page numbers on the original hard copy submitted Application and correspond to the Table of Contents.

DED suggests printing and numbering the entire original hardcopy first, then scanning the application file for upload to the DED link. This will ensure the page numbers of the digital copy match those of the original. Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.

Below is a sample Table of Contents, include the title of the section and exhibit information. Some forms listed below may not be applicable depending upon the application activity, content and organizational type.

### **Part I. General Information**

### **Part II. Funding Summary**

### **Part III. Project Budget and Financing**

### **Table of Contents**

### **Project Description**

### **Part IV. CHDO Eligibility**

### **Part V. CHDO Project Operating Design and Impact**

### **Required Exhibits (Appendix D, forms and instructions included in Chapter 4 Exhibits)**

- L FFATA Reporting Form/Certification**
- N SAM (System for Award Management Documentation)**
- O-1 Four Factor Analysis Assessing Limited English Proficiency**
- O-2 Language Assistance Plan**
- Q-1 Non-Profit Application Certification Form**
- R Authorizing Resolution (for Non-Profit)**
- S Determination of Level of Review Form**
- T Proof of Non-Profit Status & Certificate of Good Standing**

### **Additional Exhibits (Appendix E, if applicable)**

- 101 Open grants information spreadsheet**



**103 Succession Plan**

**104 Balance Sheet and Income & Expense Statement**

**Applicant Specific Attachments (Appendix F, if applicable)**

**Project Description Instructions**

Include a one (1) to three (3)-page project description of the **proposed CHDO Operating Funding request**. The project description should describe the purpose of the CHDO Operating assistance and the region to be served. The project description should specifically identify how the CHDO Operating assistance will increase the capacity of the organization and how the organization will have the capacity to implement a CHDO eligible-project within 24 months of receiving CHDO Operating funds.

**Part V: CHDO Project Design and Impact Instructions**

- a) **Need/Impact**
- b) **Collaboration**
- c) **Capacity/Readiness**
- d) **Financial Management**

Answer the Part V Application Questions by checking the appropriate boxes and explaining your answer in the space provided below the question. Use additional sheets of paper as needed; please include the questions along with all applicable answers.

For sections that ask for more information in the form of an exhibit, please include the exhibit in the application. For sections that require further documentation beyond requested exhibits, please include the documentation as an *Applicant Specific Attachment*, labeling it appropriately. Also, include the page and/or section number in the far right column.

**Selection Criteria Matrix**

The following Selection Criteria Matrix is provided in order to provide information on the Characteristics, Criteria, and Total Possible Points for each application.

**Failure of the Applicant to score 200 total points on the application will result in the Application not being funded during the 2018 HOME CHDO Cycle.**

<b>Selection Criteria Matrix</b>		
<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
1. Need/Impact	150	
2. Collaboration	100	
3. Capacity/Readiness	100	
4. Financial Management	150	
<b>Total Possible Points</b>	<b>500</b>	

**2018 HOME INVESTMENT PARTNERSHIP PROGRAM**

Nebraska Department of Economic Development (DED)

**PART I. GENERAL INFORMATION**

Pre-application Number: 18-

**HOME CHDO Eligibility and Funding Application**

TYPE OR PRINT ALL INFORMATION

DED USE ONLY	
Date Stamp Below	Application Number
	18-

<p><b>1. APPLICANT IDENTIFICATION</b></p> <p>Name: _____</p> <p>Contact person: _____</p> <p>Address: _____</p> <p>City/State/Zip: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Email: _____</p> <p>Tax ID: _____</p> <p>Duns #: _____</p>	<p><b>2. APPLICATION PREPARER INFORMATION</b></p> <p>Name: _____</p> <p>Contact person: _____</p> <p>Address: _____</p> <p>City/State/Zip: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Email: _____</p> <p>Application Preparer (check one)</p> <p><input type="checkbox"/> Local Staff    <input type="checkbox"/> Out-of-State Consultant</p> <p><input type="checkbox"/> In-State Consultant    <input type="checkbox"/> Non-Profit Organization</p> <p><input type="checkbox"/> Economic Development District</p> <p><input type="checkbox"/> Other</p>
<p><b>3. CHDO OPERATING ACTIVITIES</b> (<i>check all that apply</i>)</p> <p><input type="checkbox"/> Improve current services and activities</p> <p><input type="checkbox"/> Expand service area</p> <p><input type="checkbox"/> Build capacity to undertake new activities</p> <p><input type="checkbox"/> Planning for a new project</p> <p><input type="checkbox"/> Administration cost of a non-NAHP-assisted project</p> <p><input type="checkbox"/> Technical Assistance. Please specify _____</p>	<p><b>4. DISTRICT INDICATOR</b>-(Select only ONE)</p> <p><input type="checkbox"/> Congressional District 1</p> <p><input type="checkbox"/> Congressional District 2</p> <p><input type="checkbox"/> Congressional District 3</p>
	<p><b>5. SERVICE AREA</b></p> <p>Area to be served [each city(ies) and each county(ies)]. Please list:</p> <p>Nebraska Legislative District(s) _____</p> <p>Nebraska Congressional District(s) _____</p> <p>Is the project in an enterprise zone?    <input type="checkbox"/> Yes    <input type="checkbox"/> No</p>
	<p><b>6. TYPE OF APPLICANT</b></p> <p><input type="checkbox"/> Non-Profit 501(c)(3)                      <input type="checkbox"/> Non-Profit 501(c)(4)</p> <p><input type="checkbox"/> Non-Profit 501(c)(3) CHDO            <input type="checkbox"/> Non-Profit 501(c)(4) CHDO</p> <p><input type="checkbox"/> Section 905</p>

**7. CERTIFYING OFFICIAL:**

*To the best of my knowledge and belief, data and information in this application is true and correct, including any commitment of local or other resources. The governing body of the applicant has duly authorized this application. This applicant will comply with all Federal and state requirements governing the use of NAHP funds.*

Signature in blue ink: \_\_\_\_\_

Typed Name and Title: \_\_\_\_\_ Date Signed: \_\_\_\_\_

Address/City/State/Zip: \_\_\_\_\_

8. SUBMIT THE ORIGINAL HOME CHDO FUNDING APPLICATION TO:	UPLOAD THE SCANNED COPY of HOME CHDO FUNDING APPLICATION TO:
<p>Nebraska Department of Economic Development                  Housing Coordinator                  Housing and Community Development                  301 Centennial Mall South - PO Box 94666                  Lincoln, NE 68509-4666</p>	<p><a href="https://negov.sharefile.com/r-r384c40e5dd5491fa">https://negov.sharefile.com/r-r384c40e5dd5491fa</a></p> <p>Pamela Otto, <a href="mailto:pamela.otto@nebraska.gov">pamela.otto@nebraska.gov</a></p>
<p><i>Individuals, who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111.</i></p>	

**HOME CHDO OPERATING  
PART II. FUNDING SUMMARY**

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Code	Activity	NAHP Funds	Project Financing			Total Funds	Source(s) of Other Funds
			Matching Funds <sup>1</sup>	Leveraged Funds <sup>2</sup>	In-Kind Funds <sup>3</sup>		
0505	Organizational Operating						
<b>1000</b>	<b>TOTAL PROGRAM COSTS</b>						

*Clarification for the above activities should be directed to DED.*

<sup>1</sup> Matching Funds are resources used within the project and are included in the contract budget. Matching Funds are unrestricted cash contributions committed at the time of application. Matching Funds exclude NAHP Funds, including Program Income.  
<sup>2</sup> Leveraged fund are resources used to leverage the project and are not included in the contract budget.  
<sup>3</sup> In- Kind funds are additional resources or activities that enhance the project and are not included in the contract budget.

**HOME CHDO OPERATING  
PART IV. CHDO ELIGIBILITY**

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**Requirements for Eligibility as a CHDO Form**

1. Complete the form by checking the boxes and indicating the **specific** page numbers that the documentation can be found in the application to demonstrate that the organization does meet all the requirements as outlined in I through X.
2. Attach all required documentation as outlined previously.

**Requirements are in the three areas of legal status, organizational structure, and capacity and experience.**

---

**Legal Status**

- A.** The organization has the legal ability to operate in Nebraska and is maintaining its status.

Attach the Certificate of Good Standing from the Secretary of State’s website at: <http://www.sos.ne.gov/dyindex.html>. Attach and label it as Attachment A.

- B.** The organization must specifically adhere to the following three criteria demonstrated in one or more of documents listed in the box below.

1. One of the purposes of the organization is to provide decent housing that is affordable to low- and moderate-income persons.

- Charter (Page Number \_\_\_\_\_)  
AND/OR
- Articles of Incorporation. (Page Number \_\_\_\_\_)  
AND/OR
- By-Laws (Page Number \_\_\_\_\_)  
AND/OR
- Resolution of the Organization’s Board of Directors (Page Number \_\_\_\_\_)

2. No part of the organization’s earnings may benefit any members, founders, contributors or individuals.

- Charter (Page Number \_\_\_\_\_)  
AND/OR
- Articles of Incorporation. (Page Number \_\_\_\_\_)  
AND/OR
- By-Laws (Page Number \_\_\_\_\_)  
AND/OR
- Resolution of the Organization’s Board of Directors (Page Number \_\_\_\_\_)

3. The organization must serve a clearly defined geographic service area that may be a neighborhood, city or cities, county or counties, but not the whole state (clearly identify the service area).

- Charter** (Page Number \_\_\_\_\_)  
AND/OR
- Articles of Incorporation.** (Page Number \_\_\_\_\_)  
AND/OR
- By-Laws** (Page Number \_\_\_\_\_)  
AND/OR
- Resolution of the Organization’s Board of Directors** (Page Number \_\_\_\_\_)

C. The organization must identify other non-profits and local governments providing affordable housing in their defined service area and describe how they interact in providing housing in the area in an efficient non-duplicative manner.

- Narrative Describing the Above:** (Page Number \_\_\_\_\_)  
AND
- Organization’s Service Area Map** (Page Number \_\_\_\_\_)

D. The organization must have received a tax-exempt ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. The 501(c) designations permissible are 501(c)(3), 501(c)(4), and Section 905 status as a subordinate organization of a 501(c) organization. The designation may be either a valid conditional or final 501(c) designation from the IRS.

- Letter from the IRS for either final or conditional 501(c) designation** (Page Number \_\_\_\_\_)

### Organizational Structure

**A CHDO board must be composed as follows:**

- A **minimum** of one-third **must** be low-income representatives
- A **maximum** of one-third **may** be representatives of the public sector

#### Eligible Low-Income Representatives:

- **A low-income resident** – An individual who certifies that they qualify as low-income (family income at or below the 80% area median family income).
- **A resident of a low-income neighborhood** – An individual who certifies that they live in a neighborhood that is no less than 51% low-to-moderate income.
- **An elected representative of a low-income neighborhood organization.**

*Note: For urban areas, “community” may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a city, village, county, or multi-county area (but not the entire State).*

#### Public Sector Representatives:

- **Elected Officials** – **City, County, or State** elected representatives.
- **Public Employees** – all employees of **City, County, and State** government..

*Note: Members of the CHDO board appointed by public officials of the State cannot select other members of the board.*

*Note: Board members meeting the definition of a public sector representative cannot meet the definition of a low-income representative for purposes of required board composition.*

E. The organization must clearly commit to a governing board structure of at least one-third low-income representatives and no more than one-third public sector representatives, as evidenced by By-Laws, Charter, or Articles of Incorporation.

**By-Laws** (Page Number \_\_\_\_\_)

OR

**Charter** (Page Number \_\_\_\_\_)

OR

**Articles of Incorporation.** (Page Number \_\_\_\_\_)

F. The organization must demonstrate that the current board meets the requirements that at least one-third of the board are low-income representatives and no more than one-third are public sector representatives.

**Submit a list of current board members with names, addresses and places of employment with the low-income representatives and public sector representatives identified**  
(Page Number \_\_\_\_\_)

AND

**Submit signed certifications from each low-income representative attesting that they meet the criteria as low-income OR have met the criteria as an individual that lives in a neighborhood that is no less than 51% low-to-moderate income** (Page Number \_\_\_\_\_)

#### Low-Income Input

G. Input from the low-income community is not met solely by having low-income representation on the board. A CHDO must also have a formal process for community involvement, including input from the low-income community, to advise the CHDO on **design, location of sites, development and management of affordable housing.**

CHDOs should establish systems for community involvement in parts of their service areas where housing will be developed, but which are not represented on their boards. Such systems might include special committees of neighbors of a proposed development site, neighborhood advisory councils or open town hall meetings. **Submit written and adopted process for low-income input.**

*NOTE: This is the most common deficiency in CHDO applications. This input process must be demonstrated as institutionalized through the by-laws or board resolutions and followed for every proposed housing project that the organization is involved. Submitting a process that is not sufficient will result in the organization not meeting 2018 HOME CHDO criteria.*

**By-Laws** (Page Number \_\_\_\_\_),

OR

**Board Resolutions** (Page Number \_\_\_\_\_)

## Capacity and Experience

### Experience

- H. A CHDO must demonstrate that it has at least one year of experience serving the community where it intends to develop HOME-assisted housing. Newly created organizations wishing to become CHDOs can meet this requirement if the sponsoring organization is a nonprofit and has provided services to the community for at least one year. The year of service does not have to be directly related to housing.
- Submit written narrative, newspaper clippings, annual reports, other funding approvals or other evidence that applicant organization or its sponsor has at least one year in serving the community (Page Number \_\_\_\_\_)**
  - OR**
  - Submit written narrative, newspaper clippings, annual reports or funding approvals as evidence of CHDO activities undertaken within the last five years in the service area (Page Number \_\_\_\_\_)**
  - OR**
  - Submit a written statement from your NDED housing representative that the organization has experience serving the community**

### Capacity

- I. CHDOs must demonstrate their capacity to carry out the HOME-assisted activities they are planning. This means the CHDO must have one of the following:
- Experienced key staff that has successfully completed projects similar to those proposed by the CHDO. While CHDOs may rely upon volunteers to augment capacity or perform some functions, key staff must be paid employees of the CHDO (employees of another organization that contractually provides staff to the CHDO does not meet this requirement).
- Submit resumes and narrative descriptions of the experience of key staff members to carry out HOME-assisted/CHDO activities.**

### Financial

- J. CHDOs must have financial accountability standards that conform to 2 CFR 200.302, 'Financial Management' and 2 CFR 200.303, 'Internal Controls'.

NOTE: The notarized statement or certification must specifically state that the applicant organization has standards of financial accountability that conform to 2 CFR 200.302, 'Financial Management' and 2 CFR 200.303, 'Internal Controls'. Notarized statements or certifications that refer to any other accounting standards will not be a sufficient demonstration that the organization meets this criterion for eligibility.

- Submit a notarized statement by the president or chief financial officer of the organization (Page Number \_\_\_\_);**
- OR**
- Submit a certification from a Certified Public Accountant (Page Number \_\_\_\_);**
- OR**
- A HUD approved audit summary (Page Number \_\_\_\_).**

**Sponsored CHDOs (Complete this section if applicable)**

**K.** Nonprofits that have been sponsored by other nonprofits, charities, religious organizations, local or state government, public agencies or for-profit corporations may qualify as CHDOs, but certain additional requirements and board limitations can apply.

Nonprofit and charity sponsors:

There are no limits on the proportion of the board that may be appointed by nonprofit or charity sponsors, as long as the minimum one-third low-income representation is met and the maximum one-third public sector representation is not exceeded.

Religious organization sponsors:

Religious organizations cannot qualify as CHDOs, but they may sponsor the creation of wholly secular nonprofits (Section 92.257 of the HOME Final Rule). There are no limits on the proportion of the board that may be appointed by the religious organization. However, the religious organization may not control the nonprofit. The developed housing must be used exclusively for secular purposes. It must also be ensured that housing owned, developed, or sponsored by the organization will be made available to all persons, regardless of religious affiliation or belief.

Local/state government and public agency sponsors:

A local or state government and/or a public agency cannot qualify as a CHDO, but may sponsor the creation of CHDOs. Government officials and appointees of the government cannot exceed one-third of the members of the board. All other CHDO rules and requirements also apply.

For-profit corporate sponsors:

A CHDO cannot be controlled by, nor be under the direction of, for-profit entities, or individuals seeking profit from the organization. CHDOs may be sponsored or organized by a for-profit if the primary purpose of the for-profit sponsor is not the development or management of housing (that is, a builder, developer, or real estate management firm may not spin off a CHDO). The for-profit sponsor cannot appoint more than one-third of the CHDO's governing board and the board members appointed by the for-profit cannot appoint other members of the board. The sponsored CHDO also must be free to contract for goods and services from any vendors it selects.

- Identify the sponsoring entity (Page Number \_\_\_\_\_ )**
- AND**
- Provide evidence that the organization meets the applicable requirements via the organization's By-Laws (Page Number \_\_\_\_\_ )**
- OR**
- Provide evidence that the organization meets the applicable requirements via the organization's Articles of Incorporation (Page Number \_\_\_\_\_ )**
- AND**
- For-profit sponsored organizations must also provide the sponsoring organization's By-Laws proving that the for-profit entity's primary purpose does not include the development or management of housing (Page Number \_\_\_\_\_ )**



**HOME CHDO PROGRAM**  
**PART V. CHDO OPERATING DESIGN AND IMPACT**

<p><b>1. Need/Impact</b></p>	<p>Page # &amp; Section Cite Below</p>
<p>A) Describe the organization’s need for CHDO Operating Funds.</p> <p>B) Describe how the CHDO Operating Funds will be used within the organization.</p> <p>C) Describe how the CHDO Operating Funds will impact the organization.</p> <p>D) Describe the organization’s service area.</p> <p>E) Describe the overall impact your organization has on your service area.</p> <p>Total points possible: 150</p> <p>0-15 No clearly defined project need</p> <p>16-73 Minimally defines project need</p> <p>74-131 Adequately defines project need</p> <p>132-150 Significantly defines project need</p>	
<p><b>2. Collaboration</b></p>	<p>Page # &amp; Section Cite Below</p>
<p>A) Describe the relationships that the organization has that make both housing and non-housing services successful. These could include: community at-large, local government, and community leadership.</p> <p>B) Describe the reputation of the organization and the relationship with the community (and/or service area), including those with the community at-large, local government, and community leadership.</p> <p>C) Describe how the community supports the organization overall. Examples: volunteers, activities, board membership, financial contributions, etc.</p> <p>Total points possible: 100</p> <p>0-10 No clearly defined project collaboration</p> <p>11-50 Minimally defines project collaboration</p> <p>51-87 Adequately defines project collaboration</p> <p>88-100 Significantly defines project collaboration</p>	
<p><b>3. Capacity/Readiness</b></p>	
<p>A) Describe the organization’s capacity and commitment to implement the project in a timely manner:</p> <ul style="list-style-type: none"> <li>i. Board Stability – Describe the stability/continuity of the organization’s board members over the last 3 years; and, the board’s professional skills directly relevant to housing development;</li> <li>ii. Development Oversight – Describe the boards committee structure and/or other means of overseeing planning and development (this may</li> </ul>	

include a description of the Executive Leadership's role to development oversight);

- iii. Strategic Plan – Has the organization produced a strategic plan that specifies an action plan for housing development? If so, please describe and provide the current status of the housing development within the Strategic Plan.
- iv. Decision-making – Describe how the board and/or Executive Leadership has demonstrated the ability to make timely decisions;
- v. Board / Staff Relations – Describe the relationship that exists between the board and staff. Describe the shared goals of board and staff;
- vi. Project Experience – Describe the organization's experience with housing-related and/or HOME-assisted/CHDO-related activities. Include a description of how the project activities were performed on schedule and within budget.

Also Include:

- Detailed documentation of the organization's projects (both housing and non-housing) and/or DED-funded projects the Applicant has completed in the past 10 years, including notation of HOME-assisted/CHDO projects;
- List of Grantee-requested contract extensions on any housing projects for years 2010, 2011, 2012, 2013, 2014, 2015, or 2016, including the reason the extension was requested.

B) Describe the development capacity of the organization, housing-related and/or HOME-assisted/CHDO-related to implement the HOME CHDO project in a timely manner:

- i. Key Roles – Describe the key roles and responsibilities of the organization's staff that will be responsible for the implementation of the HOME CHDO Operating Funds (these could include, but not be limited to: Executive Director, Deputy Director, Financial Operations, Project Development Staff, Intake/Education Staff or Consultants, Compliance Staff, etc.). Include in the descriptions what specific experience these individuals have had with HOME-assisted/CHDO-related projects.

INCLUDE STAFF SKILLS, SUCH AS:

- Market Analysis
  - Legal / Financial aspects of housing development
  - Management of real estate development
  - Oversight of design and construction management
  - Marketing and intake
- ii. Property Portfolio – Describe the organization's portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the organization's development have adequate funding.
  - iii. Management Capacity – Describe how the current intends to manage additional development/CHDO-related activities.
  - iv. Procedures – Describe the policies and procedures in place governing development/CHDO-related activities.
  - v. Project Management – Describe the procedures in place for monitoring the progress of the project.

<p>vi. Training – Describe how the staff are encouraged to obtain training and develop new skills. Describe the staff training plan of the organization. Describe training that staff have had directly relative to HOME, HOME CHDO and/or the 2013 Final HOME Rule.</p> <p>Total points possible: 100</p> <p>0-10 No clearly defined capacity/readiness</p> <p>11-50 Minimal capacity/readiness</p> <p>51-87 Adequate capacity/readiness</p> <p>88-100 Significant capacity/readiness</p> <p>(Exhibit 103 Succession Plan)</p>	
<p><b>4. Financial Management</b></p>	<p>Page # &amp; Section <u>Cite Below</u></p>
<p>A) Describe the financial management of the organization:</p> <p>i. Audit – Does the organization have an annual audit? What time period does the most recent audit cover? Were there management or compliance findings in the last two years? Are they resolved? If there were findings, please describe the nature of the findings and the resolution to the findings.</p> <p>ii. Budgeting – Does the organization undertake annual budgeting of its operations and all activities or programs? Does it track and report budget v. actual income and expenses?</p> <p>iii. Reporting – Is financial reporting regular, current and sufficient for the board to forecast and monitor the financial status of the organization?</p> <p>iv. Cash Flow Management – Describe the organization’s current cash position and how it maintains controls over expenditures.</p> <p>v. Internal Controls – Describe the internal controls of the organization to ensure separation of duties and safeguarding of assets. Describe the organization’s oversight of all financial activities.</p> <p>vi. Insurance – Does the organization maintain adequate insurance – liability, fidelity bond, workers comp, property hazard and project? Please describe.</p> <p>Also include as Exhibit</p> <ul style="list-style-type: none"> <li>• Most recent Board-approved Balance Sheet and Income &amp; Expense Statement (profit &amp; loss).</li> </ul> <p>Total points possible: 150</p> <p>0-15 No clearly defined financial management</p> <p>16-73 Minimal financial management</p> <p>74-131 Adequate financial management</p> <p>132-150 Significant financial management</p> <p>(Exhibit 104 Balance Sheet and Income &amp; Expense Statement)</p>	
<p><b>TOTAL POSSIBLE POINTS – 500</b></p>	

**APPENDIX D – REQUIRED EXHIBITS (CAN BE FOUND IN CHAPTER 4)**

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**Non-profit organization:**

- EXHIBIT L** FFATA Reporting Form/Certification
- EXHIBIT N** SAM (System for Award Management documentation)
- EXHIBIT O-1** Four Factor Analysis Assessing Limited English Proficiency
- EXHIBIT O-2** Language Assistance Plan
- EXHIBIT Q-1** Non-Profit Application Certification Form
- EXHIBIT R** Authorizing Resolution for Non-profit organization (sample format provided)
- EXHIBIT S** Determination of Level of Environmental Review
- EXHIBIT T** Proof of Non-Profit Status and Certificate of Good Standing

**APPENDIX E – ADDITIONAL EXHIBITS**

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Please include the following exhibits noted below. Clearly identify each exhibit number in bottom right of each page of the exhibit.

- Exhibit 101 Open grants information spreadsheet at:  
<https://opportunity.nebraska.gov/program/home/#guidelines>
- Exhibit 103 Succession Plan
- Exhibit 104 Balance Sheet and Income & Expense Statement

**APPENDIX F – APPLICANT SPECIFIC ATTACHMENTS**

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If applicable, please include any attachments not previously included. Clearly identify each attachment name in bottom right of each page. On the scanned copy, please label each attachment name to correspond with the original submitted copy. Please include as many additional attachments as is necessary to support the Part V project design and impact answers.

- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]

# 2018

## HOME INVESTMENT PARTNERSHIP PROGRAM

### CHAPTER 4: EXHIBITS

Program Year (July 1, 2018 through June 30, 2019)

**Nebraska Department of Economic Development**

*HOME Investment Partnership Program*



## Table of Contents

### ***Exhibits***

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## FFATA REPORTING FORM/CERTIFICATION – HOUSING APPLICATION CYCLE

The Federal Funding Accountability and Transparency Act (FFATA) seeks to provide the public with greater access to Federal spending information. Due to FFATA requirements, you are required to provide the following information, which may be used by the Department of Economic Development (“Department”) to comply with federal reporting requirements. Please fill out the following form accurately and completely, have it signed by an authorized official, and submit to the Department along with your application for funding.

<b>Name of Applicant:</b>			
<b>Applicant Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Applicant DUNS number:</b>			
<b>Principal Place of Performance of Proposed Project:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Brief Project Description:</b>			
<p>If certain conditions are met, Applicant may be required to provide names and total compensation of Applicant’s top five highly compensated Executives to the Department. Please answer question number 1, and follow the instructions. If directed to answer question 2, please answer question 2.</p> <p>Based upon your responses, the Department will determine whether the names and total compensation of Applicant’s top five highly compensated Executives is required to be submitted to the Department. If such information is required, Applicant will receive a written request from the Department for such information, along with a deadline for submission of such information.</p>			
<p>1. In Applicant’s previous fiscal year, did Applicant receive (a) 80 percent or more of Applicant’s annual gross revenues in U.S. federal contracts and subcontracts and other federal financial assistance subject to the Transparency Act, as defined in 2 C.F.R. 170.320; <b>AND</b> (b) \$25,000,000 or more in annual gross revenues from contracts and subcontracts and other federal financial assistance subject to the Transparency Act, as defined in 2 C.F.R. 170.320?</p> <p>Yes <input type="checkbox"/> If yes, answer question 2 below.          No <input type="checkbox"/> If no, stop. Please sign and submit form to the Department.</p>			
<p>2. Does the public have access to information about the compensation of Applicant’s senior Executives through periodic reports filed under section 13(a) or 15(d) of the Security Exchange Act of 1934 (15 U.S.C. 78(m)(a), 78o(d)), or section 6104 of the Internal Revenue Code of 1986?</p> <p>Yes <input type="checkbox"/>          No <input type="checkbox"/></p> <p>Please sign and submit form to the Department.</p>			
<p>The Applicant certifies that the information contained on this form is true and accurate.</p> <p>Signed: _____</p> <p>Title: _____</p> <p>Date: _____</p>			

**EXHIBIT L**



**FFATA REPORTING FORM/FOLLOW-UP INFORMATION – HOUSING APPLICATION CYCLE**

The Federal Funding Accountability and Transparency Act (FFATA) seeks to provide the public with greater access to Federal spending information. Due to FFATA requirements, you are required to provide the following information, which may be used by the Department of Economic Development (“Department”) to comply with federal reporting requirements. Please fill out the following form accurately and completely, have it signed by an authorized official, and submit to the Department.

<b>Name of Applicant:</b>			
<b>Applicant Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Applicant DUNS number:</b>			
<b>Principal Place of Performance of Proposed Project:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Brief Project Description:</b>			
<p><b>Based upon information submitted to the Department along with Applicant’s application for funding from the Housing Application Cycle, Applicant must provide names and total compensation of Applicant’s top five highly compensated Executives to the Department. Please provide the names and Total Compensation of the top five most highly compensated Executives in the space below.</b></p> <p>(NOTE: Executive means officers, managing partners, or any other employees in management positions. Total Compensation means the cash and noncash dollar value earned by the Executive during the Applicant’s preceding fiscal year and includes salary and bonus, awards of stock, stock options, and stock appreciation rights; earnings for services under non-equity incentive plans, change in pension value, above market earnings on deferred compensation which is not tax-qualified; and other compensation exceeding \$10,000 as defined in Appendix A to 2 C.F.R. Part 170.).</p>			
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<p>The Applicant certifies that the information contained on this form is true and accurate.</p> <p>Signed: _____</p> <p>Title: _____</p> <p>Date: _____</p>			

## Instructions for Exhibit N: SAM database record and clearance

Each applicant must obtain a Duns and Bradstreet (DUNS) number and also register within the SAM system.

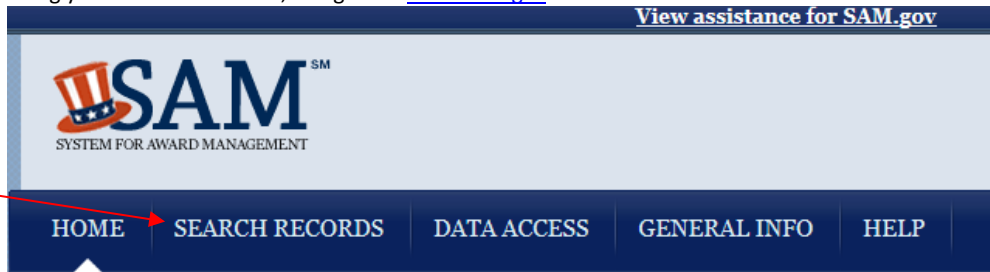
The Federal Funding Accountability and Transparency Act (FFATA) of 2006 mandated specific reporting requirements for recipients of federal funds. In order to report in this system, each State award recipient must have a DUNS and a CAGE code, assigned as a result of registration in the federal SAM.

For more information on obtaining a DUNS number and registering in the System for Award Management (SAM), please review the following information at: <https://www.sam.gov/portal/SAM/>

Once registered, each applicant must access SAM, determine that the applicant is eligible within SAM, and provide a print out of the information from SAM. Each applicant must also provide documentation that they are registered in the SAM using the DUNS number entry (refer to the check your registration status in SAM) the last illustration.

Applicant must run a query at the System for Award Management website ([www.sam.gov](http://www.sam.gov)) at the time of application and include a copy of the search record showing the DUNS Number and/or search terms and date. This information must be provided within the application and labeled as "Exhibit N".

1. Using your internet browser, navigate to [www.sam.gov](http://www.sam.gov)



2. Select "Search Records", enter the DUNS number, and click "Search".

The screenshot shows the "Search Records" page on SAM.gov. It includes the following text and elements:

- Section: Search Records
- Text: Looking for entity registration records or entity exclusion records in SAM?
- Text: \* Use **Quick Search** if you know an entity's Business Name, DUNS number or CAGE code.
- Text: \* Use **Advanced Search** to structure your search using multiple categories and criteria.
- Text: Are you a Federal government employee?
- Text: \* Create a SAM user account with your government e-mail address [and log into SAM before searching](#) to see FOUO information and registrants who chose to opt out of the public search.
- Text: Conducting small business-focused market research?
- Text: \* In addition to what is contained in SAM, small businesses may supplement information about themselves in the SBA's [Dynamic Small Business Search](#).
- Section: QUICK SEARCH: Enter your specific search term (Example of search term includes the entity's name, etc.)
- Section: DUNS Number Search: Enter DUNS number ONLY
- Section: CAGE Code Search: Enter CAGE code ONLY
- Buttons: SEARCH, Need Help?, ADVANCED SEARCH - ENTITY, ADVANCED SEARCH - EXCLUSION

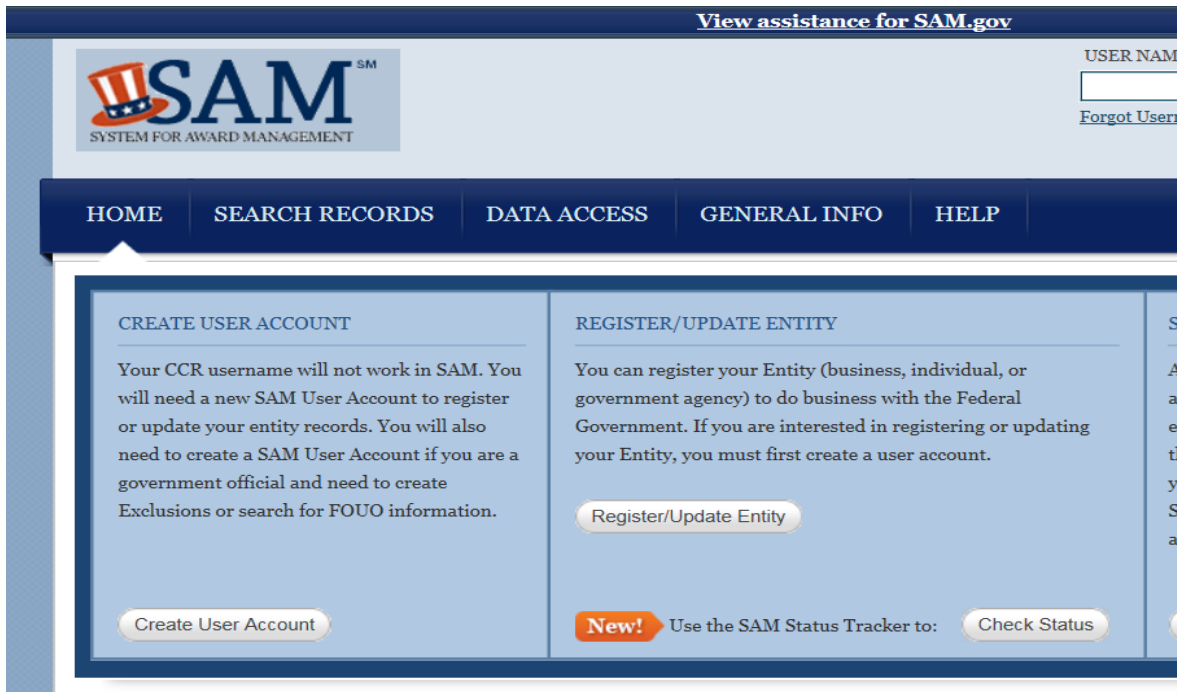
A red arrow points to the "DUNS Number Search" input field.

**EXHIBIT N**

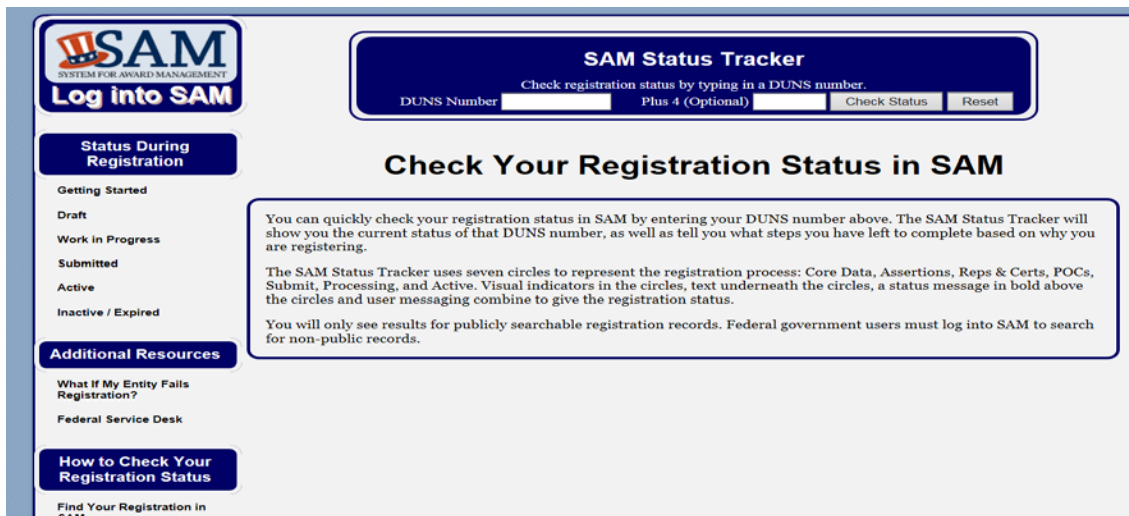
- Review the search results and click "Print" to print the results. **Your printed copy should include a date stamp at the bottom of the page.**



- If you need to register in the SAM, click Create User Account. The applicant must Check Status and submit a printout of Status, which must be an active status as the last screen indicates

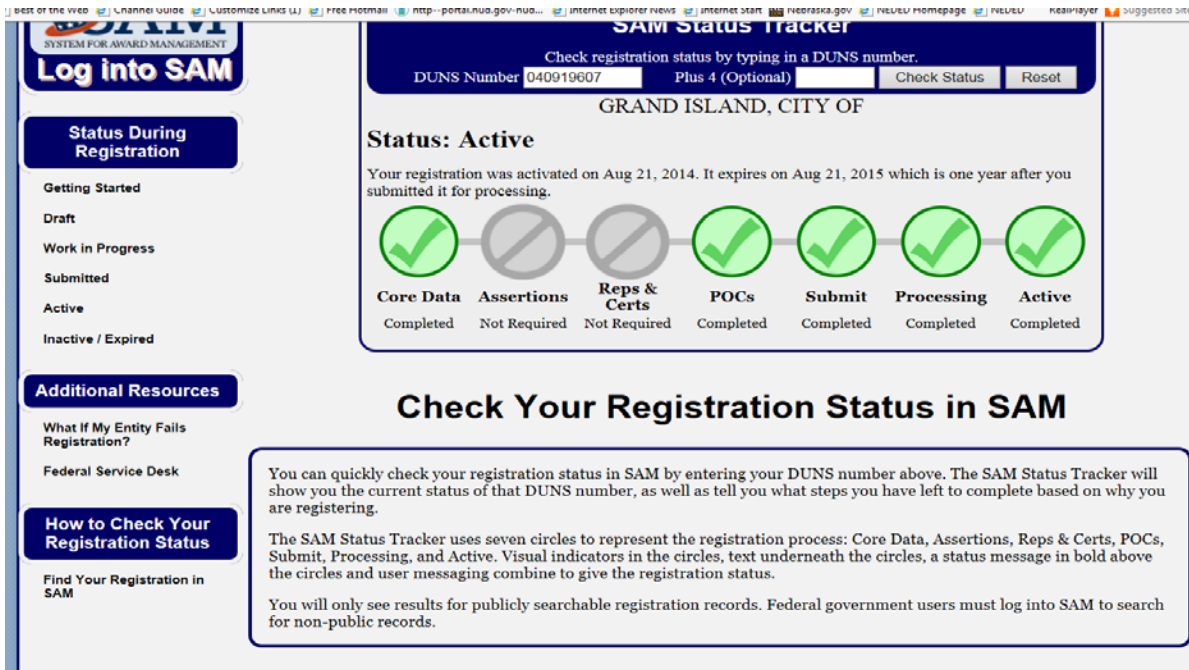


- Check your registration status in the SAM by entering applicant nine digit DUNS number. If result is not active, create a user account. If result is inactive, reactive user account.



**EXHIBIT N**

6. Submit a screen print out of the SAM status tracker that indicates active status for the applicant. The applicant must be in an active status as determined by DUNS number entry.



The final Exhibit N that the applicant must submit with their application must contain:

- 1) Proof of SAM Registration (See Item 6 above) and
- 2) Proof that the applicant is eligible in SAM (See Item 5 above)

**EXHIBIT N**

**FOUR FACTOR ANALYSIS**  
**ASSESSING**  
**LIMITED ENGLISH PROFICIENCY**  
**AND**  
**LANGUAGE ASSISTANCE PLAN**

**PREPARED BY**

[APPLICANT]

**FOR**

**HOME INVESTMENT PARTNERSHIP PROGRAM**

**EXHIBIT O-1**

## **A. POLICY STATEMENT**

It is the policy of the [APPLICANT] to take reasonable steps to provide meaningful access to its programs and activities for persons with Limited English Proficiency (LEP). The [APPLICANT]'s policy is to ensure that staff will communicate effectively with LEP individuals, and LEP individuals will have access to important programs and information. [APPLICANT] is committed to complying with federal requirements in providing free meaningful access to its programs and activities for LEP persons.

## **B. HISTORY**

Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who have Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

On August 11, 2000, Executive Order 13166, titled, "Improving Access to Services by Persons with Limited English Proficiency," was issued. Executive Order 13166 requires federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to LEP cannot fully and equally participate in or benefit from those programs and activities. Section 2 of the Executive Order 13166 directs each federal department or agency "to prepare a plan to improve access to...federally conducted programs and activities by eligible LEP persons...."

## **C. DEFINITIONS**

Beneficiary: The ultimate consumer of HUD programs and receives benefits from a HUD Recipient or Sub-recipient.

Limited English Proficient Person (LEP): Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Language Assistance Plan (LAP): A written implementation plan that addresses identified needs of the LEP persons served.

Recipient: Any political subdivision of the State of Nebraska, or an eligible nonprofit organization, to whom Federal financial assistance is extended for any program or activity, or who otherwise participates in carrying out such program or activity, including any successor, assign or transferee thereof, but such term does not include any Beneficiary under any such program.

Sub-recipient: Any public or private agency, institution, organization, or other entity to whom Federal financial assistance is extended, through another Recipient, for any program or activity, or who otherwise participates in carrying out such program or activity but such term does not include any Beneficiary under any such program.

Vital Document: Any document that is critical for ensuring meaningful access to the Recipient's major activities and programs by Beneficiaries generally and LEP persons specifically.

## **EXHIBIT O-1**

#### **D. FRAMEWORK & METHODOLOGY**

This Four Factor Analysis is the first step in providing meaningful access to federally funded programs for LEP persons. The Four Factor Analysis completed by [APPLICANT] addresses the following:

1. The number or proportion of LEP persons eligible to be serviced or likely to be encountered by [APPLICANT];
2. The frequency with which LEP persons using a particular language come in contact with [APPLICANT];
3. The nature and importance of the [APPLICANT] program or activity provided to the individual's life; and
4. The resources available to [APPLICANT], and costs associated with providing LEP services.

#### **E. FOUR FACTOR ANALYSIS**

- 1. The number or proportion of LEP persons eligible to be served or likely to be encountered by [APPLICANT].**

[Response to Item #1]

- 2. The frequency with which LEP persons using a particular language come in contact with [APPLICANT].**

[Response to Item #2]

- 3. The nature and importance of the [APPLICANT] program or activity provided to the individual's life.**

[Response to Item #3]

- 4. The resources available to [APPLICANT], and costs associated providing LEP services.**

[Response to Item #4]

As a result of the Four Factor Analysis, [APPLICANT] has determined a Language Assistance Plan is needed:

YES  NO

## LANGUAGE ASSISTANCE PLAN [OPTIONAL]

As a result of the preceding Four Factor Analysis, [APPLICANT] has developed a Language Assistance Plan. The Language Assistance Plan addresses the identified needs of the LEP persons [APPLICANT] serves, the process by which v will monitor and update the LAP.

[APPLICANT] understands that the actions [APPLICANT] is expected to take to meet its LEP obligations depend upon the results of the Four Factor Analysis including the services [APPLICANT] offers, [APPLICANT]'s service area, the resources [APPLICANT] possesses, and the costs of various language service options. However, [APPLICANT] is to take reasonable steps to ensure meaningful access to LEP persons. The meaningful access is based upon a reasonableness standard that is both flexible and fact-dependent.

- 1. The procedures [APPLICANT] will use to identify LEP persons with whom [APPLICANT] has contact, the size of LEP populations, and the languages of LEP populations.**

[Response to Item #1]

- 2. Points and types of contact [APPLICANT] may have with LEP persons.**

[Response to Item #2]

- 3. Ways in which language assistance will be provided by [APPLICANT], and the plan for outreach to LEP populations.**

[Response to Item #3]

- 4. [APPLICANT]'s plan for training staff members on LEP guidance and the LAP, including specific provisions for training staff that are responsible for monitoring Recipients of HUD funding.**

[Response to Item #4]

- 5. A list of Vital Documents to be translated, the languages into which they will be translated and the timetable for translations.**

[Response to Item #5]

- 6. [APPLICANT]'s plan for translating informational materials that detail services and activities provided to Beneficiaries and [APPLICANT]'s plan for providing appropriately translated notices to LEP persons.**

[Response to Item #6]

- 7. [APPLICANT]'s plan for providing interpreters for large, medium, small and one-on-one meetings.**

[Response to Item #7]

- 8. [APPLICANT]'s plan for developing community resources, partnerships, and other relationships to help with the provision of language services.**

[Response to Item #8]



9. [APPLICANT]'s plan for monitoring and updating the LAP.

[Response to Item #9]

**AVAILABLE LEP RESOURCES**

HUD Frequently Asked Questions on the Final LEP Guidance:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)

HUD's LEP Website:

<http://www.hud.gov/offices/fheo/lep.xml>

Federal LEP Website:

<http://www.lep.gov/>

LEP and Title VI Videos:

<http://www.lep.gov/video/video.html>

"I Speak" Card:

<http://www.lep.gov/ISpeakCards2004.pdf>

**COMPLAINTS**

If you believe that you have been denied the benefits of this Language Assistance Plan, you may file a written complaint by mail to:

[APPLICANT]

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following address (or as otherwise directed by HUD):

Betty J. Bottiger  
Director, Region VII Office of Fair Housing and Equal Opportunity  
U. S. Department of Housing and Urban Development  
400 State Avenue  
Kansas City, Kansas 66101-2406  
[Betty.Bottiger@hud.gov](mailto:Betty.Bottiger@hud.gov)

**EXHIBIT O-2**

**NON-PROFIT OR PUBLIC HOUSING AUTHORITY APPLICANT  
CERTIFICATION FORM**

WHEREAS, \_\_\_\_\_ (the "Applicant") is applying to the State of Nebraska for assistance from the Nebraska Affordable Housing Program; and WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

THEREFORE, APPLICANT certifies as follows:

1. APPLICANT is eligible for award under state statutes and program guidelines and agrees to comply with all applicable federal, state and local regulations in the event that this application is selected for funding.
2. APPLICANT will minimize displacement as a result of activities assisted with Nebraska Affordable Housing Program resources and assist persons displaced as a result of such activities as specified by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 49 CFR part 24. The more limited requirements of Section 104(d) of Housing and Community Development Act of 1974 are more detailed as to policy, definitions and requirements listed in 24 CFR 570.606.
3. APPLICANT has previously adopted, on \_\_\_\_\_, \_\_\_\_\_ **Procurement Procedures** that remain in effect. The procurement procedures were submitted to DED on \_\_\_\_\_, \_\_\_\_\_.
4. APPLICANT will actively market in an on-going manner all housing units and services funded through the Nebraska Affordable Housing Program.
5. APPLICANT is prepared and has the authority within its charter or by-laws or through statutory regulations to enter into a contractual agreement with the Nebraska Department of Economic Development for acceptance and use of Nebraska Affordable Housing Program moneys, and makes this application and these certifications with the full cognizance (and approval) of its governing body.
6. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government, which would adversely affect the administration of this grant.
7. No legal actions are underway or being contemplated that would significantly impact the Applicant's capacity to effectively administer the program, and to fulfill the NAHP program; and
8. No project costs have been incurred which the Department has not approved in writing.

Signed: \_\_\_\_\_  
(Officer)  
Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_  
  
Date: \_\_\_\_\_

**Use the language in this sample form and provide an original signature of applicant certification.**

**Sample Resolution**

**AUTHORIZATION TO SUBMIT APPLICATION (S) AND  
ENTER INTO AGREEMENT FOR NEBRASKA AFFORDABLE HOUSING PROGRAM  
RESOLUTION NO \_\_\_\_\_**

A resolution of the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) authorizing the submission of an application(s) for 2016 Nebraska Affordable Housing Program Funds, certifying that said application(s) meets the community’s housing and community development needs and the requirements of the Nebraska Affordable Housing Program, and authorizing all actions necessary to implement and complete the activities outlined in said application.

WHEREAS, the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) is desirous of undertaking affordable housing development activities; and

WHEREAS, the State of Nebraska is administering the Nebraska Affordable Housing Program; and

WHEREAS, the Nebraska Affordable Housing Program requires that funds benefit low-income households; and

WHEREAS, the activity in the application addresses the proposed project area’s low-income population housing needs; and

WHEREAS, a recipient of Nebraska Affordable Housing Program is required to comply with the program guidelines and State regulations.

NOW, THEREFORE BE IT RESOLVED THAT the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) authorize application to be made to the State of Nebraska, Department of Economic Development for 2016 Nebraska Affordable Housing Program, and authorize (NAME AND POSITION OF INDIVIDUAL) to sign application and contract or grant documents for receipt and use of these funds, and authorize the (NAME AND POSITION OF INDIVIDUAL) to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT, the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) will comply with all State regulations and Nebraska Affordable Housing Program policies.

Passed and adopted by the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Chairperson, President or Authorized Person of Organization

\_\_\_\_\_  
Date Signed

**Use the language in this sample resolution and provide an original signature or a certified copy of the resolution.**

# DETERMINATION OF LEVEL OF REVIEW

ERR GRANT# \_\_\_\_\_

Project Name: \_\_\_\_\_ Program Year: \_\_\_\_\_

Project Location: \_\_\_\_\_

Project Description (*Attach additional descriptive information, as appropriate to the project, including narrative, maps, photographs, site plans, budgets and other information.*):

The subject project has been reviewed pursuant to HUD regulations 24 CFR Part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," and the following determination with respect to the project is made:

- Exempt** from NEPA review requirements per 24 CFR 58.34(a)( \_\_\_\_\_ )
- Categorically Excluded NOT Subject** to §58.5 authorities per 24 CFR 58.35(b)( \_\_\_\_\_ )
- Categorically Excluded SUBJECT** to §58.5 authorities per 24 CFR 58.35(a)( \_\_\_\_\_ )  
(A Statutory Checklist for the §58.5 authorities is attached.)
- An **Environmental Assessment** (EA) is required to be performed. (An Environmental Assessment performed in accordance with subpart E of 24 CFR Part 58 is attached.)
- An **Environmental Impact Statement** (EIS) is required to be performed.

The ERR (see §58.38) must contain all the environmental review documents, public notices and written determinations or environmental findings required by Part 58 as evidence of review, decision making and actions pertaining to a particular project. Include additional information including checklists, studies, analyses and documentation as appropriate.

_____ <b>Preparer Name</b>	_____ <b>Signature</b>
_____ <b>Title</b>	_____ <b>Date</b>

_____ <b>Responsible Entity Certifying Officer</b>	_____ <b>Signature</b>
_____ <b>Title</b>	_____ <b>Date</b>

**EXHIBIT S**

Attach the certification from the Secretary of State's website at:  
<http://www.sos.ne.gov/dyindex.html>

Address and label it as Exhibit T

**EXHIBIT T**

## ***Planning (PP) Program Category***

### **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 an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

Successful efforts shall involve strategic planning, implementation, monitoring, and evaluation. The outcome of a successful planning process will ultimately provide information and data that will be used in future planning and implementation efforts. Successful projects arise from effective efforts to involve stakeholders and gain their support throughout the process.

The maximum grant amount will be \$40,000 per community or unincorporated county or \$60,000 for multi-community, countywide, or regional planning projects, exclusive of general administration. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category.

Applicants seeking CDBG funds for downtown revitalization *planning* activities will now apply under the Planning category.

*NOTE: The restructuring of the DTR program in 2017 has made it possible for a community to apply for downtown revitalization implementation funding without the prior requirements that a Phase I DTR project have received funding in the community.*

### **HOW AND WHAT PROJECTS MAYBE 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**

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

## ELIGIBLE ACTIVITIES

The following activities are eligible within the Planning category and generally include studies, analysis, data gathering, identification of implementation actions, and preparation of plans. Where any activity is not found among the list below, please consult the Program Representative.

- Community strategic planning; such as:
  - Comprehensive plans,
  - Downtown revitalization,
    - See *Section 1.03(6)* of the Application Guidelines
  - Neighborhood revitalization,
  - Environmental and/or sustainability,
  - Brownfield revitalization,
  - Needs assessment,
  - Citizen participation, and
  - Fiscal management.
- Analysis of impediments (AI) or barriers to fair housing choice;
- Functional, analytical or special studies for:
  - Housing;
  - Infrastructure;
  - Community or regional economic development;
  - Land use, zoning, or other related regulatory measures;
  - Feasibility;
  - Main street improvement district;
  - Energy conservation; and
  - Transportation, which includes walking/biking/multi-modal studies
- Environmental, heritage tourism, and historic preservation studies.
- Reasonable administrative and audit costs.

For more information about eligible activities, see *Section 3.01* of the Application Guidelines.

Restrictions are identified in *Section 3.02*.

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.

Overall, projects that will lead to a significant impact upon the community and are expected to have a sustained impact are likely to score highly. 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. For example, 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.

## **FUNDABILITY THRESHOLD REQUIREMENTS**

Projects are to be completed within twenty-four (24) months following award. Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning category. A complete listing of threshold requirements that must be met by the local government applicant in order to be eligible for Program resources is found under *Section 5.01 and 5.02* of the Application Guidelines.

## **CDBG NATIONAL OBJECTIVE**

During 2018, All Planning projects funded, and CDBG-funded project activities, must meet the National Objective of the CDBG Program of Benefiting low-to-moderate income persons (including on an area basis, housing, or serving a limited clientele).

The Housing and Community Development Act 1974 objective funds use is for activities that primarily benefit low and moderate-income persons. Application activities are required to meet CDBG National Objective of benefit to low-moderate income persons (LMI) as a threshold for review and funding consideration.

Planning activities must meet the LMI national objective through benefitting low- to moderate-income persons (including on an area basis (LMA), housing (LMH), or serving a limited clientele (LMC)).

## **Compliance with State Planning Objectives**

The purpose of the Planning Category (PP) is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out processes that lead to successful projects.

This recognizes the importance of investing in a planning process, which results in project implementation with a principal benefit to low- and moderate-income persons.

Planning project proposals must meet threshold requirements reviewed by DED according to the Selection Criteria Detailed Matrix below. 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 under the Planning Category. Otherwise, an applicant under individual review will be scored according to the selection criteria and must meet the minimum threshold for consideration for approval.



Selection Criteria Detailed Matrix – CDBG Planning (PP) Category		
Item	Criteria	Points Possible
1. Project Need ( <i>threshold: 150 pts</i> )		250
	Overall Purpose of Project	100
	Capacity and commitment	75
	Past efforts to resolve the problem	75
2. Project Impact ( <i>threshold: 150 pts</i> )		250
	Goals and objectives	100
	Community, especially LMI benefit	75
	Accomplishment in measurable units	25
	Alternatives considered	25
	Formal study recommendation	25
3. Project Readiness – Local Effort ( <i>threshold: 150</i> )		250
	Planning activities and methodology	125
	Community involvement/stakeholder support ( <i>DTR pre-development Phase I studies should include business support</i> )	125
4. Match		50
5. National Objective (LMI Benefit)		50
6. Municipal Equalization Fund (MEF) Score		100
1. Healthy Community Design		50
8. Achievements: Sustainability ( <i>no threshold</i> )		50
	Energy efficiency	
	Reduce inefficiencies	
	Environmental stewardship	
<b>Total (<i>minimum threshold 480 pts</i>)</b>		<b>1,050</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 identified local 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—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants

- 155-250—well-defined, above average

Community involvement and participation is a fundamental part any community needs-assessment process and is required as part of the CDBG application process (see *Section 5.02* and *Exhibits A, B, & C*).

## **2. Project Impact**

Up to 250 points possible. A minimum of 150 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. ***For this criterion, it is necessary to create a nexus between the project need and the project outcomes as proposed.*** The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for clear and concise description of:

- (a) Clearly defined goals and objectives to address the identified community problems;
- (b) How the completed planning activities will benefit the community, especially low- and moderate-income and special needs persons;
- (c) 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;
- (d) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and
- (e) Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

A strong narrative in this section will provide a clear nexus between the problem statement provided under Project Need and outcome described under Project Impact.

## **3. Project Readiness (Local Effort):**

Up to 250 points possible. A minimum of 150 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy and/or work plan for solutions to the problems/needs and impact as defined in the above sections; project readiness; and

financial and operational capacity of the community. This includes stakeholder involvement. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for detailed:

(a) Description of the planning activities and methodology (e.g. work plan) for achieving the goals and objectives as outlined under the Project Impact section, this narrative should list and describe the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity;

(b) Description of the citizen participation process, specifically outlining how broad-based community involvement/awareness has and/or will be utilized throughout the project and any related timelines.

*NOTE: DTR pre-development Phase I studies should also include narrative and/or supplemental materials demonstrating business support when describing stakeholder support, specifically how businesses have been included in the initial planning process. Successful downtown revitalization efforts derive from the public and private sectors. Supplemental materials may include letters of support from the local chamber of commerce and/or business owners.*

**4. Matching Funds**

Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points. The table below further describes these criteria.

Matching Funds Exceeding	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

**6. LMI Benefit**

Up to 50 points 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. Narrative is not required under this section, the submitted documentation within Exhibit E will be reviewed by the Department.

### **7. Municipal Equalization Fund (MEF)**

A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. Narrative is not required under this section.

### **8. Healthy Community Design (Local Effort to include health component in planning process, project deliverable, or as a documented local achievement)**

Up to 50 points possible. A minimum of 30 points in this section in order to meet threshold. Points will be awarded in this section to applicants that demonstrate how planning projects will address and incorporate what goals the community holds, or actions it will take that will integrate healthy community design into the comprehensive plan, housing study, transportation study, downtown revitalization study, or other special study funded with CDBG dollars. Applicants may meet this threshold criteria by:

- Including healthy design in the planning process using a tool from the most recent “Healthy Communities Policy Guide” of the American Planning Association;
- Documenting in the project deliverable, such as a comprehensive plan update, how the built environment affects the health of a community and what unique vision the community holds for the increase in quality of health of its members;
- Documenting in the application healthy design achievements that the community has accomplished.

The planning concept of Healthy Community Design should be considered through the community engagement process and if applicable, the planning process for this CDBG planning project, or through a special study. The long-term objective is for Nebraska communities to be aware of and be given the tools for investigating how their unique community needs may include solutions derived at least in part from Healthy Design planning concepts and tools.

The most recent “Healthy Communities Policy Guide” of the American Planning Association, states that “A healthy community, as a concept and goal, may have varying meanings depending on the purpose and mission of the organization.” In addition, the APA states, “healthy communities are defined as places where all individuals have access to healthy built, social, economic, and natural environments that give them the opportunity to live to their fullest potential regardless of their race, ethnicity, gender, income, age, abilities, or other socially defined circumstances.” Applicants may review and utilize the information in the current APA guide at:

<https://www.planning.org/policy/guides/adopted/healthycommunities/> when addressing and describing how this threshold item is met within the CDBG Planning Project application.

This threshold requirement upholds a State emphasis on inter-agency collaboration to increase communication between State Agencies in order to increase efficiency and collaboration between agencies. This collaboration will aid in increasing the quality of life of Nebraskans, while simultaneously clarifying potential partnerships between agencies holding associated program services and missions. It supports the “Nebraska Walkable Communities Initiative” of Nebraska DHHS, in collaboration with the Nebraska Department of Transportation, the Nebraska Tourism Commission, and other Nebraska State Agencies and Nonprofits.

A health component can also be documented in the project deliverable, such as in a comprehensive plan update or special study.

Applicants may also fulfill the healthy community design threshold criteria by listing achievements associated with healthy design concepts or local walkability initiatives. This may include a description of local priorities such as community design standards, coalitions, or policies that may positively impact the physical infrastructure, safety, health and social services, social cohesion, or economy of the community which are associated with People Living Better Lives. Demonstration of these elements can be, but are not limited to:

- Mayor’s Bicycle and Pedestrian Coalitions
- Park and Recreation Plans
- Trail Plans
- Walkability, Bikeability and Transit Studies
- Complete Streets Elements including policies
- Safe Routes to School Programs
- Regional Bike/Pedestrian Plans

### **9. Sustainability Achievement Points**

Up to 50 points possible. No minimum points are required in order to meet threshold. Points will be awarded in this section for applicants that demonstrate how 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.

For 2018, 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.

DTR Phase I (pre-development) projects will also be funded within the Planning Category and not within the DTR Category. DTR phase I projects must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons in order to receive CDBG funding.

A project or project activity that fails to meet the specified national objective is ineligible for CDBG resources.

**GRANT AMOUNT AND MATCHING/LEVERAGE**

The maximum grant amount for Planning Category activities will be \$40,000 per community/unincorporated county. The maximum grant amount for Planning Category activities will be \$60,000 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. Planning Category applications that are funded will receive CDBG funds. Applicants are not required to submit an application for the maximum grant amount.

Planning Category – Key maximums and requirements	
Individual Community, Project Costs	\$40,000
Multi-jurisdictional/Countywide, Project Costs	\$60,000
Local matching funds	25% of total project costs
General Administration	10% of Project Costs not to exceed \$3,000

For the current Program Year, \$350,000 in CDBG funds will be allocated for Planning Category activities.

Under the PP program category, activities require a 25% match. Proposed match must be from CDBG eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period.

Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. No more than half of the total project match may be in-kind source contributions. The amount of match must be calculated in dollars.

***General Administration does not require match.***

**THRESHOLD AND REVIEW CRITERIA FOR SUBMITTING PLANNING APPLICATION**

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 grant 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 known 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 substantial 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 Category include:

- The 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; and
- The applicant meets the minimum selection criteria score as noted in this section.
- In addition, during the 2018 Program Year, the applicant will demonstrate how Healthy Community Design is defined within the project.

DED has participated in working with Nebraska DHHS over the years on raising the quality of life of Nebraskans, demonstrated by the two Departments collaborating on the Nebraska State Consolidated Plan. In addition, for a number of years DED has participated and supported the Division of Public Health, Nebraska DHHS, "Nebraska Walkable Communities Initiative." This initiative is supported by a federal grant from the Centers for Disease Control and Prevention. The primary purpose is on-the-ground success in Nebraska communities in achieving increased walkability and overall health.

DED has been a member of the steering committee for this initiative for a number of years. The steering committee includes State agencies such as the Department of Transportation, Department of Economic Development, Department of Health and Human Services, Department of Tourism, and Department of Game and Parks. DED has also been a member of the State Agency Leadership for Active Transportation and Recreation Committee for over a year, which also includes those Departments. Both committees provide the opportunity for a number of State agencies to discuss how the walkability initiative of DHHS is associated with program initiatives in other fields, and how in general the State agencies can work together to support and improve the health of Nebraska communities. This process increases inter-agency communication and efficiency, both programmatically and financially. Discussion and planning focuses on how to work in a more communicative and productive manner across professional disciplines and Departments to raise the quality of life of Nebraskans through public health, transportation, tourism, community development, and economic development projects which positively affect physical health, mental health, safety, educational and economic opportunity and equality of Nebraskans. DED supports the recent addition of Physical Health Activity - Walkability Priority Initiative to the most recent DHHS business plan, "Good Life. Great Mission. Helping People Live Better Lives", which is directly connected to the work done under the walkability initiative of the Division of Public Health, DHHS. The addition of this priority to the DHHS plan allows for the vision of improving physical health of Nebraskans to become a reality through the DHHS program.

In collaboration with these efforts described above, and in support of Growing Nebraska, DED has found one small way of operationalizing the inter-agency Department vision of Helping People Live Better Lives.

The American Planning Association (APA) "believes 'healthy communities' are places where all individuals have access to healthy built, social, economic, and natural environments that give them the opportunity to live their fullest potential regardless of their race, ethnicity, gender, income, age, abilities, or other socially defined circumstance.

APA's **Healthy Communities Policy Guide** identifies policy ideas for local, state, and federally elected officials aimed at improving community health and quality of living through planning."

The Guide states, "The conditions in which people live, work, and age have a greater role in a community's health than individual behaviors and clinical care. Planners and policy makers influence these determinants of health through decisions such as, land use, urban design, and transportation, which affect local air quality, water quality and supply, transportation safety, and access to physical activity, healthy food, and affordable housing, among many other quality of life indicators."

"The Healthy Communities Policy Guide addresses challenges derived from our built, social, and natural environment, provides recommendations for policies to address the social determinants of health by improving opportunities for physical activity and access to healthy food, which enables numerous social equity benefits, and helps policy makers at all levels of government better integrate health considerations into planning processes and outcomes."

"Planning for health requires government at all levels to address determinants of chronic disease early by integrating health considerations in planning."

The action-oriented guide of the APA can be found at:

<https://www.planning.org/policy/guides/adopted/healthycommunities/>



## **APPLICANT SUBMISSION AND GRANTEE SELECTION**

Planning applications must be submitted per the current Program Year's Planning Category Application Guidelines. Applications may be accepted during two cycles. The first cycle is August 30 through September 30 of the current Program Year. Potential applications are encouraged to submit their applications in the first cycle. Where Planning Category funds remain after the first cycle awards, a second cycle may be held at DED's discretion. If held, this second cycle will be an open cycle and applications will be accepted beginning November 15, and until Planning Category funds are depleted.

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 succeeding Program Year cycle upon 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 (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Planning Category funds.

## **PLANNING CATEGORY SELECTION CRITERIA MATRIX**

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications. This summary is of vital importance to the ability of DED to review and score an application based on the thresholds set forth in this section. Details can be further provided under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to further substantiate project need, impact, and readiness.

The Matrix below describes each selection criteria as a numerical score within the Planning Category. The maximum number of points available within any application is 1,050 points. A minimum score of 480 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.

<b>Selection Criteria</b>	<b>Maximum</b>	<b>Threshold Minimum</b>
1. Project Need (Problem Statement)	250	150
2. Project Impact	250	150
3. Project Readiness (Local Effort)	250	150
4. Matching Funds	50	-
5. LMI Benefit	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Healthy Community Design	50	30
8. Achievements: Energy Efficiency; Reduction of Inefficiencies; Environmental Stewardship	50	-
<b>Total</b>	<b>1,050 points</b>	<b>480 points</b>

**1. Project Need (Problem Statement):** 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 identified local 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. Solutions to the problem need should include no action.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well-defined, above average

The application narrative shall be scored for clear and concise explanations of: (a) the overall purpose of the project and factual information that illustrates the severity of identified problems in community; (b) demonstration of the capacity and commitment to successfully implement changes or project as a result of the planning process; (c) past efforts (planning or otherwise) to resolve the problem and meet community needs.

**2. Project Impact:** Up to 250 points possible. A minimum of 150 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. For this criteria, it is necessary to create a nexus between the project need and the project outcomes as proposed. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for clear and concise description of: (a) clearly defined goals and objectives to address the identified community problems; (b) how the completed planning activities will benefit the community, especially low and moderate-income and special needs persons; (c) 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; (d) the alternatives considered to address the need(s) and the

rationale for selecting the proposed solution; and (e) indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

**3. Project Readiness (Local Effort):** Up to 250 points possible. A minimum of 150 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for detailed: (a) description of the planning activities and methodology for achieving the goals and objectives as outlined under the Project Impact section; (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; and (c) description of citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness will be utilized throughout the project.

**4. Matching Funds:** Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix. The table below further describes these criteria.

Matching Funds Exceeding Requirements	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

**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 an LMI population of 55% or more will receive 50 points. Communities with a LMI population less than 54.99% will receive no points in this section. Narrative is not required under this section.

**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 category. 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 category. Narrative is not required under this section.

**7. Healthy Community Design:** Up to 50 points possible. 30 minimum points required. Points will be awarded in this section for applicants that demonstrate how planning projects will address and

incorporate what goals the community holds, or actions it will take that will integrate healthy community design into the comprehensive plan, housing study, transportation study, downtown revitalization study, or other special study funded with CDBG dollars. The application should consider alternative solutions, such as when addressing “1. Project Need,” which includes the solution of “no action.” If the applicant determines that it the CDBG project cannot include healthy design in the main project need in some manner, then this is where that discussion is discussed and justified. If the alternative solutions documentation is completed with the community and “no action” is determined, the applicant will have still fulfilled the requirement. The requirement is that the planning concept of Healthy Community Design is considered through the community engagement process and if applicable, the planning process for this CDBG planning project. The long-term objective is for Nebraska communities to be aware of and be given the tools for investigating how their unique community needs may include solutions derived at least in part from Healthy Design planning concepts and tools.

The most recent “Healthy Communities Policy Guide” of the American Planning Association, states that “A healthy community, as a concept and goal, may have varying meanings depending on the purpose and mission of the organization.” In addition, the APA states, “healthy communities are defined as places where all individuals have access to healthy built, social, economic, and natural environments that give them the opportunity to live to their fullest potential regardless of their race, ethnicity, gender, income, age, abilities, or other socially defined circumstances.” Applicants may review and utilize the information in the current APA guide at:

<https://www.planning.org/policy/guides/adopted/healthycommunities/> when addressing and describing how this threshold item is met within the CDBG Planning Project application.

As an alternative to including healthy design discussion in the community engagement process, applications may fulfill the requirement by listing Achievements associated with healthy design concepts or local walkability initiatives. This may include a description of local priorities such as community design standards, coalitions, or policies that may positively impact the physical infrastructure, safety, health and social services, social cohesion, or economy of the community which are associated with People Living Better Lives. Demonstration of these elements can be, but are not limited to:

- Mayor’s Bicycle and Pedestrian Coalitions
- Park and Recreation Plans
- Trail Plans
- Walkability, Bikeability and Transit Studies
- Complete Streets Elements including policies
- Safe Routes to School Programs
- Regional Bike/Pedestrian Plans

*8. Achievements: Energy Efficiency; Reduction of Inefficiencies; Environmental Stewardship, Universal Design:* Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that demonstrate how 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; (c) promote environmental stewardship; and (d) utilize universal design concepts.

## SUMMARY OF MILESTONES/TIMELINE

Below is a summary of the milestones that will be completed during a Planning project application.

<b>Milestone Summary</b>	<b>Dates</b>
Planning applications submitted to DED 1st Cycle	October 15
Anticipated Award of 1st Cycle applicants	November
Planning applications submitted to DED 2nd Cycle	November 15
Anticipated Award Date of 2nd Cycle applicants	Ongoing

## ***Public Works (PW) Program Category***

### **PUBLIC WORKS PROGRAM CATEGORY – STATE OBJECTIVE:**

The purpose of the Public Works (PW) Program Category is to provide for a broad range of investments to communities investing in effective and affordable infrastructure and/or facilities that address strategic long-term developments. This category recognizes the importance of the availability and condition of infrastructure and community facilities. Funded projects shall develop the state’s communities and counties by providing residents with basic infrastructure and/or facilities with the opportunity to maximize energy efficiency and provide a suitable living environment.

### **HOW & WHAT PROJECTS MAYBE ASSISTED DISTRIBUTION OF PUBLIC WORKS CATEGORY FUNDS:**

#### **ELIGIBLE APPLICANTS**

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

See the “Fundability Threshold Requirements” and *Section 5.01* for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01* and *1.03* of the Application Guidelines.

DED will award grants, under the Public Works Category, to eligible local governments in order to carryout investments in effective and affordable infrastructure/facilities that meet the CDBG National Objectives and State Priorities.

#### **ELIGIBLE ACTIVITIES**

The following activities are eligible within the PW Category. Where any activity is not identified among the list below, please consult the Program Representative.

#### **Facilities**

- Community Centers
- Senior Centers exclusively for persons aged 62 and over
- Nonprofit centers for daycare, 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;
- Remodel shelter facilities for the homeless (excludes costs for operation)
- Accredited public libraries
- Neighborhood parks
  - a new facility/improvement or

- a quantifiable increase of an existing facility/improvement;
- Single- or multi-service fire/rescue buildings
  - Fire trucks are specifically considered “public facilities” and thus eligible;
- Removal of architectural barriers for accessibility; 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.

**Infrastructure**

- 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;
- Removal of architectural barriers for accessibility; and
- Drainage improvements (e.g. retention ponds or catch basins).

For more information, see *Section 3.04* of the Application Guidelines. Restrictions are identified in *Section 3.03 of the Application Guidelines*.

**CDBG NATIONAL OBJECTIVE**

All CDBG-funded project activities (including any required match) must meet the National Objective, Benefiting Low-to-Moderate Income Persons (LMI), including on an Area Basis or serving a Limited Clientele.

**GRANT AMOUNT AND MATCHING FUNDS**

The total CDBG maximum grant amount equals \$385,000, which includes the maximum of \$350,000 for project activities, a maximum \$25,000 for general administration activity, and a maximum of \$10,000 for construction management activity. General Administration and Construction Management activities require no matching funds.

Public Works Category – Key Maximums and Requirements	
Project Costs	\$350,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs

Maximum total CDBG grant amount = (A) + (B) + (C)	Maximum CDBG project activities (A)	Maximum CDBG *general administration activity (B)	Maximum CDBG **construction management activity (C)
\$385,000 Maximum total CDBG grant =	\$350,000 maximum	\$25,000 or 10% project activity, whichever less	\$10,000 maximum

\*General Administration activities may not exceed 10% of the amount of CDBG funds awarded or \$25,000, whichever is less.

\*\*Up to \$10,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance.

The cost per beneficiary for infrastructure/facility (PW eligible activities) cannot exceed \$3,000. Except for child or adult care facility projects where the cost per beneficiary cannot exceed \$10,000. Recipients of PW resources are not required to use any of their award for General Administration and/or Construction Management.

All costs for project activities require a 25% match. Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. 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. Applicants that commit local funds to the project's non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds may be used under Activity 0380.

For the current Program Year, \$3,000,000 is allocated in CDBG funds for Public Works Category Activities.

If it is determined there are not enough eligible applications for funding during the first PW round, or in order to meet CDBG Timely Distribution, a second application round may be necessary during the Program Year.

**FUNDABILITY THRESHOLD REVIEW CRITERIA**

PW projects are to be completed within twenty-four (24) months following notice of approval. For a complete list of general fundability threshold requirements to apply for resources from any CDBG category and special policies for PW applicants, see *Section 5.01* and *5.02* of the Application Guidelines.



## **APPLICANT SUBMISSION & GRANTEE SELECTION**

Public Works application must be submitted by August 30, 2018. Applications will be accepted during this period based on US Postal Service postmark date or date of delivery by other means.

Applicants meeting required thresholds for eligibility and review may submit a Public Works 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 award through this process will be presented to DED's Director for a grant award (i.e. Notice of Award). The Director will either approve or disapprove the recommendation. DED will send a formal Notice of Award letter to the applicant community upon approval from the Director. A letter of non-selection will be issued to those applicants not recommended for award of Public Works Category funds.

## **PUBLIC WORKS CATEGORY SELECTION CRITERIA MATRIX**

Each category has a Selection Criteria Matrix used by the respective review committees to score applications. Applicants are required to submit a **project description identifying the nature and scope of the project**, including match activities. Limit your description to no more than one page. A complete and clear project description is the foundation of the application. The description should provide location specific information and geographic boundaries, as well as a delineation of all activities included in the overall scope of the project. Furthermore, Applicants are encouraged to use this description as the basic framework for the forthcoming environmental review record (ERR) project description. Additional details about the decision-making process and benefits of the proposed project are articulated under the subsequent project narrative and any supplemental attachments provided by the applicant to substantiate project need, impact, readiness, and community support. **IMPORTANT NOTE:** attachments should supplement and not be considered as a replacement for narrative.

For more information see Section B. Application Forms and Instructions - Part IV, and for a complete list of selection criteria, see *Section 5.03* of the Application Guidelines.

### Selection Criteria Matrix

The Matrix below describes each selection criteria as a numerical score within the PW Category. 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. All selection criteria will be scored in five point increments and shall be scored on a scale.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	200	75
4. Community Support	150	75
5. Match	50	
6. LMI Benefit	50	
7. Municipal Equalization Fund (MEF) Score	100	
8. Achievements	50	
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

**1. Project Need:**

Up to 200 points is possible. A minimum of 75 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local 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 efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0 – 45 points: Inadequately defined, below average
- 50 – 145 points: Reasonably defined, average compared to other applicants
- 151 – 200 points: well-defined, above average

The application narrative shall be scored for clear and concise explanations of:

- a) The overall purpose of the project and factual information that illustrates the severity of identified problems in community;
- b) Demonstration of the capacity and commitment to successfully implement change and to complete the project; and
- c) Past efforts to resolve the problem and meet community needs.

**2. Project Impact:**

Up to 200 points possible. A minimum of 75 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. For this criteria, it is necessary to create a nexus between the project need and the project outcomes as proposed. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0 – 45 points: Inadequately defined, below average
- 50 – 145 points: Reasonably defined, average compared to other applicants

- 151 – 200 points: well-defined, above average

The application narrative shall be scored for clear and concise description of:

- a) Clearly defined goals and objectives to address the identified community problems;
- b) How the completed public works activities will benefit the community, especially low and moderate-income;
- c) The proposed project outcome in measurable units, the degree to which these accomplishments within project implementation will reduce or eliminate the need(s), and any plans to eliminate what needs remain;
- d) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and
- e) Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

### *3. Project Readiness (Local Effort):*

Up to 200 points possible. A minimum of 75 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

- 0 – 45 points: Inadequately defined, below average
- 50 – 145 points: Reasonably defined, average compared to other applicants
- 151 – 200 points: well-defined, above average

The application narrative shall be scored for detailed:

- a) Description of the planning activities and methodology for achieving the goals and objectives as outlined under the Project Impact section; and
- 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.

### *4. Citizen Participation:*

Up to 150 points is possible. A minimum of 75 points in this section in order to meet threshold. A description of citizen participation process to identify the community needs and allocate resources to address those needs. Points earned for Citizen Participation are tabulated with preset targets that indicate active participation toward 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 community’s 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 community’s 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 – 45 points: inadequately defined, below average
- 50 – 95 points: reasonably defined, average compared to other applicants
- 100 – 150 points: well defined, above average

#### 5. Matching Funds:

Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix. The table below further describes these criteria.

Percentage Exceeding Requirements	Points Available
25% or greater	50
10-24.99%	25
5-9.99%	10

#### 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 less than 54.99% will receive no points in this section. Narrative is not required under this section.

#### 7. 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 category. 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 category. Narrative is not required under this section.

#### *8. Achievements:*

Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that are designated as:

- a) Economic Development Certified Community  
(<http://opportunity.nebraska.gov/business/why-nebraska/communities/certified-communities>)  
or
  
- b) DED Leadership Community  
(<http://opportunity.nebraska.gov/community/community-info/community-improvement/leadership-community>).

#### Supplemental materials

Depending on the nature and scope of project activities proposed, the following information may be required for the application:

- Attachment 1: For proposed facility activities, submit a Facility Floor Plan (for all facility projects)

#### **SUMMARY OF MILESTONES/TIMELINE**

Below is a summary of the milestones that will be completed during a Public Works project application.

- August 30, 2018 – Public Works Cycle I Applications Due
- Fall 2018 – Public Works Projects Awarded
- TBD – Public Works Cycle 2 due

## ***Tourism Funding Category Development***

### **TOURISM DEVELOPMENT– STATE OBJECTIVE**

The purpose of the Tourism Development (TD) Category is to provide 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 attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective. The objective of Tourism Development is to assist tourism development projects that have already attracted significant financial support and are likely to have long-term positive impacts on the local and regional economics.

### **CDBG NATIONAL OBJECTIVE**

All CD projects funded, and CDBG-funded project activities, must meet the LMI National Objective of the CDBG Program during the 2018 Program Year. These include:

Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele)

### **ELIGIBLE APPLICANTS**

Except as provided in *Section 1.03* of the Application Guidelines, eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the “Fundability Threshold Requirements” for specific thresholds that are also considered in determining eligibility. For more information, see *Sections 1.01, 1.03, and 5.01* of the Application Guidelines.

### **HOW AND WHAT PROJECTS MAY BE ASSISTED DISTRIBUTION OF TOURISM DEVELOPMENT CATEGORY FUNDS**

#### **ELIGIBLE ACTIVITIES**

The following activities are eligible within the TD Program. Please note, eligible tourism development projects, define tourist attractions (for profit, public, or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away.

If any activity is not noted within the list below, please consult the primary contact.

- Historic Restorations
- Scientific and Educational Interpretive Educational Sites & Facilities
- Participatory Sports Facilities
- Convention Centers

- Cultural and Heritage Recreational Sites and Facilities
- Supporting Activities that include Removal of Material and Architectural Barriers that Restrict the Mobility and Accessibility to sites/Facilities for the Elderly and Severely Disabled Individuals in Support of Eligible Tourism Activities.

For more information, see *Section 3.04* of the Application Guidelines.

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.

## **GRANT AMOUNT AND MATCHING/LEVERAGE**

Maximum grant is \$425,000, which includes maximums of \$400,000 for project costs, \$15,000 for general administration, and \$10,000 for construction management. The minimum is \$50,000 per community/unincorporated county.

**Tourism Development Category – Key Maximums and Requirements**

Project Costs	\$400,000
General Administration	10% of CDBG project costs, not to exceed \$15,000
Construction Management	\$10,000
Local Matching funds	25% Project Costs

Up to \$800,000 in resources will be made available within the 2018 Program Year for TD projects.

Proposed match must be from CDBG eligible activities directly related to the proposed project(s). Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

Under the TD program category, activities require a 25% match. No more than half of the total project match may be in-kind source contributions. The amount of match must be calculated in dollars.

	Match
TD activities	25%

*The applicant would be allowed 10% or \$15,000, whichever is less of the CDBG award for General Administration and up to \$10,000 can be used for Construction Management.*

**General Administration and Construction Management do not require any matching funds.**

**FUNDABILITY THRESHOLD REVIEW CRITERIA**

Projects are to be completed within twenty-four (24) months following notice of approval. Eligible local governments may only receive one (1) TD grant per cycle in the TD category. For a complete list of general fundability threshold requirements to apply for resources from any CDBG category and special policies for TD Applicants, see *Sections 5.01 and 5.02* of the Application Guidelines.

All activities funded with TD resources, except costs associated with general administration and construction management, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. Proposed match should be from CDBG eligible activities directly related to the proposed project. Costs associated with administration are those of general administration and construction management. All other costs are considered CDBG project activity costs OR non-administrative costs.



Maximum total CDBG grant amount = (A) + (B) + (C)	Maximum CDBG project activities (A)	Maximum CDBG *general administration activity (B)	Maximum CDBG **construction management activity (C)
\$425,000 Maximum total CDBG grant =	\$400,000 maximum	\$15,000 or 10% project activity, whichever less	\$10,000 maximum

\*General Administration activities may not exceed 10% of the amount of CDBG funds awarded or \$15,000, whichever is less.

\*\*Up to \$10,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance.

**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 2018. 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.

**TOURISM DEVELOPMENT – SELECTION CRITERIA MATRIX**

The Matrix below describes each selection criteria as a numerical score within the TD 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. All selection criteria will be scored in five point increments and shall be scored on a scale.

TD Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	250	100
4. Community Support	150	50
5. Matching Funds	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

Community involvement and participation is a fundamental part any community needs-assessment process and is required as part of the CDBG application process (see *Section 5.02* and *Exhibits A, B, & C of the Application Guidelines*).

**1. Project Need**

Up to 200 points possible. If the minimum of 75 points is not met, the application will not be reviewed further. The level of project need will be compared to other applicants.

Points in this section include:

- 0 - 74:** No clearly defined problem or no clear description of the need for the project.
- 75 - 149:** Minor problems or minor needs are only defined.
- 150 - 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 tourism development needs
- b. Past efforts to resolve the address the needs for tourism development
- c. Stated goals and objectives for addressing the needs with a description of how the community will be included in the citizen participation process in order to determine the objectives.

**2. Project Impact**

200 points maximum possible. If minimum of 75 points is not met, the application will not be reviewed further. 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 - 74:** Inadequately defined project impact.
- 75 - 149:** reasonably defined project impact that is average compared to other applicants.
- 150 - 200:** above average description of project impact.

Within this section, the applicant should explain what the expected outcome of the project will be and the positive impact on local and regional economies.

### **3. Project Readiness**

Up to 250 points possible. If minimum of 100 points are not met, the application will not be reviewed further. The level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0 - 99:** 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.
- 100 - 174:** Local capacity is demonstrated through past projects, past community improvement efforts, citizen participation, there is strong evidence of a commitment to proceed with project, the feasibility and cost estimates are reliable, the project is construction ready, and financial resources have been investigated.
- 175 - 250:** 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.

### **4. Community Support**

Up to 150 points possible. If the minimum of 50 points is not met, the application will not be reviewed further. Applicant's description of public participation and the process used to identify community needs and allocate resources to address needs will be compared to other applicants.

The following criteria will be taken into consideration when determining the community 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 survey
- 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 a business retention and expansion survey, or other viable fundraising efforts

Points in this section include:

- 0 - 49:** Has not completed a majority of the above criteria.
- 50 - 99:** Has completed a majority of the above criteria
- 100 - 150:** Has completed and properly documented most or all of the above criteria.

**5. Matching Funds**

Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and/or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points. The table below further describes these criteria.

Table 5.03B Matching Funds	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

**6. LMI Benefit**

Up to 50 points 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. Narrative is not required under this section, the submitted documentation within Exhibit E will be reviewed by the Department.

**7. Municipal Equalization Fund (MEF)**

A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. 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 category. Narrative is not required under this section.

**SUMMARY OF MILESTONES/TIMELINE**

Below is a summary of the milestones that would be completed during a TD project.

Milestone Summary	Dates
Full Application submitted to DED	Open Cycle, beginning May 1 2018
Communities selected/awarded CDBG Resources	TBD

## ***Water/Wastewater (WW) Program Category***

### **WATER/WASTEWATER PROGRAM CATEGORY– STATE OBJECTIVE:**

The purpose of the Water/Waste Water Category (WW) 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.

### **HOW AND WHAT PROJECTS MAY BE ASSISTED**

DED will award grants, under the Water Wastewater Category, to eligible local governments in order to carryout investments in effective and affordable infrastructure that meet the CDBG National Objectives and State Priorities.

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.

Water/Wastewater (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 WW Program Category must follow the Water/Wastewater Advisory Committee (WWAC) process. 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 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 60 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.

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. Invitations will be reserved until December 31, 2018 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, 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 Program. Only those communities invited to apply for CDBG resources are eligible to apply.

Instructions regarding this process, and the full application process for WWAC approval, will be included as an attachment to the Water/Wastewater Application Guidelines.

There are three phases to the WW program:

1. Preliminary Engineering Report/Pre-development Phase,
2. Final Design Phase, and
3. Construction Phase.

CDBG funds will not be available within the Preliminary Engineering Report (PER)/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. The Water Wastewater Advisory Committee (WWAC) or other appropriate regulatory agency must review any reports and studies.

Funds will be available only in the Final Design Phase and Construction Phase.

**Only communities invited to apply for CDBG resources through WWAC are eligible.**

## **CDBG NATIONAL OBJECTIVE**

All Water/Waste Water projects funded, and CDBG funded project activities, must meet the following National Objective of the CDBG Program:

- *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 this specified national objective is ineligible for CDBG resources.

**GRANT AMOUNT AND MATCHING**

The total CDBG maximum grant amount equals \$385,000, which includes the maximum of \$350,000 for project activities, a maximum \$25,000 for general administration activity, and a maximum of \$10,000 for construction management activity.

Maximum total CDBG grant amount = (A) + (B) + (C)	Maximum CDBG project activities (A)	Maximum CDBG *general administration activity (B)	Maximum CDBG **construction management activity (C)
\$385,000 Maximum total CDBG grant =	\$350,000 maximum	\$25,000 or 10% project activity, whichever less	\$10,000 maximum

\*General Administration activities may not exceed 10% of the amount of CDBG funds awarded or \$25,000 , whichever is less.

\*\*Up to \$10,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance.

No more than \$3,000 in WW funds per beneficiary of record can be invested in the described project area.

Recipients of WW resources are not required to use any of their award for General Administration and/or Construction Management.

General Administration and Construction Management activities require no matching funds.

All costs for project 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.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Construction Management. Matching funds are not required. Maximum of \$10,000 in CDBG funds may be used under Construction Management.

For the current Program Year, \$2,662,680, is allocated in CDBG funds for WW Category Activities.

## **THRESHOLD AND REVIEW CRITERIA FOR SUBMITTING W/WW APPLICATION**

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 grant 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 known 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 substantial 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.

## **APPLICANT SUBMISSION & GRANTEE SELECTION**

Water/Waste Water applications will be accepted beginning **May 1, 2018** (subsequent to submission of a Preliminary Engineering Report and recommendation by the Water Wastewater Advisory Committee) until funds are exhausted.

Applicants meeting required thresholds for eligibility and have received an “Invitation to Apply” letter may submit a Water/Waste Water application.



Applications recommended for approval through these processes will be presented to DED's Director for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Water/Waste Water Category funds.

## **WATER/WASTE WATER CATEGORY SELECTION CRITERIA**

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria of applications. This summary is of vital importance to the ability of DED to review an application based on the thresholds set forth in this section. Details can be further provided under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to further substantiate project need, impact, and national objective.

<b>WW Selection Criteria</b>	<b>Maximum</b>	<b>Threshold Minimum</b>
1. Community and Project Need	100	-
2. Project Impact	100	-
3. Project Readiness	100	-
4. Community Support	150	-
5. Match	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
<b>Total</b>	<b>650 points</b>	<b>Application must be complete and adequate</b>

### **1. Community and Project Needs**

Describe the existing or imminent problem and/or an assessment of the identified local need for the project. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project. Also, address the following items:

- Has a public meeting been held in the last 3 years? If yes, please attach a separate sheet with the dates of the meetings and purpose.
- Do you have a 1 & 5 year Action Plan?
- Do you have a comprehensive Plan? If yes, what are the dates of the Comprehensive Plan?
- Has a community assessment been completed? If so, please provide the date it was completed.
- Do you have a capital improvement plan? If yes, please provide the date of the most current plan.
- Have you completed any projects in the last 5 years? If yes, please attach a separate sheet listing the projects completed and the date of completion.

Points in this section include:

- 0 – 25 points: Inadequately defined, below average
- 30– 65 points: Reasonably defined, average compared to other applicants
- 70– 100 points: well-defined, above average

## 2. Project Impact

Proposed solutions will be evaluated for the degree to which they are long term; appropriate in terms of capacity, sizing, and demand for the community, as well as technical, operational and financial aspects of the project. Solutions must alleviate high priority needs. **Applicants must have a reasonably projected user fee, including all potential grant funds, exceeding \$20 per household per month.**

Describe each major activity and identify who will own, operate and maintain the proposed improvements. Provide information and supporting documentation identifying the number of residential users; projected monthly residential rate; debt service portion of the rate; operation and maintenance portion of the rate and identify if the water system is metered. If not, will the water system be metered as part of the project? Also, include maps that identify the boundaries of the applicant's jurisdiction, boundaries of the project service area, specific location of each activity, and areas within the 100-year flood hazard boundary.

Points in this section include:

- 0 – 25 points: Inadequately defined, below average
- 30– 65 points: Reasonably defined, average compared to other applicants
- 70– 100 points: well-defined, above average

## 3. Project Readiness

Projects will be reviewed for the extent to which matching funds have been secured (binding commitments obtained, local funds budgeted, etc.), and realistic schedules are provided to: secure necessary property and easement rights, complete environmental review that complies with CDBG requirements, complete final design plans and bid specifications, complete review and obtain approval by other agencies of all permits necessary to complete project, start, and complete construction. For projects that contain the development of a well field, the water quality, and production capabilities of the site must be confirmed through the development of a test hole before an application will be considered.

Also, within this section, identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include:

- Administrative Services Secured
- Engineering Services Secured
- Environmental Review Completed
- Land Acquired
- Test Hole Drilling Completed

- Water Quality Testing Completed
- Plans and Specifications Completed and Approval Dates
- Permits Obtained
- Approvals Obtained
- Solicit Construction Bids
- Award Contracts
- Construction Start Date
- Construction Completion

Points in this section include:

- 0 – 25 points: Inadequately defined, below average
- 30– 65 points: Reasonably defined, average compared to other applicants
- 70– 100 points: well-defined, above average

**Ties shall be broken for when two or more projects: a) have equivalent SRF priority ranking, b) propose appropriate solutions, c) are ready to promptly start and complete activities, and d) adequate CDBG funding for all projects is not available. The community with the highest percent of low- and moderate-income persons shall have priority.**

### **Supplemental materials**

Depending on the nature and scope of project activities proposed, the following information may be required for the application:

- Attachment 1: For proposed facility activities, submit a Facility Floor Plan (for all building projects)

### **Special Policies for Thresholds for Selection**

Special policies affecting thresholds for selection are:

1. The **Citizen Participation Plan** must contain provisions for the involvement of citizens, particularly LMI residents, in all phases of the project. Each local government submitting a single application or participating in a joint application, where applicable, must have and follow a citizen participation plan. The plan must provide for:
  - a. Proper notice and access to all meetings and project records;
  - b. Technical assistance on request to group’s representative of LMI persons;
  - c. A **minimum of two public hearings**, each at a different stage of the program, for the purpose of obtaining citizen’s views, responding to proposals and questions specifically during the:
    - (1) Application phase – the hearing(s) must cover community and housing needs, development of proposed activities to be undertaken, the amount of funds requested, the estimated amount proposed to benefit LMI persons, the amount and source of matching and leverage funds, if any, and the applicant’s plans for minimizing displacement of persons as a result of CDBG assisted activities and for assisting persons actually displaced; and

- (2) Implementation phase – the hearing(s) must review project/program performance and summarize any relevant updates or changes through the process, in supplement to any hearings held in accordance with the contract amendment request process.

The minutes of the public hearing and the public hearing notice are to include each listed statement. Public hearings for joint applicants must be held in each participant’s jurisdiction and the application must be available for public inspection at each locality.

- d. A process for responding to complaints and grievances within 15 working days; and
- e. The needs of non-English speaking residents where a significant number of them can be expected to participate in public hearings.

2. The **Residential Anti-Displacement and Relocation Assistance Plan** must be adopted and certified by the local government and be available to the public. A certification and plan is required even if the applicant is not proposing activities which will result in demolition or in the conversion of an LMI unit to a use other than LMI housing. The plan must contain two components (a) one-for-one replacement unit requirement, and (b) a relocation assistance component.

- a. **One-For-One Replacement** unit requirement applies to all occupied and vacant occupiable LMI dwelling units that will be demolished or converted to another use as a direct result of a CDBG assisted activity. Occupiable dwelling unit is a residential unit that is in standard condition or in a substandard condition, but suitable for rehabilitation.

- (1) An LMI dwelling unit is defined as a unit with a market rental, including utility costs, that does not exceed the Section 8 fair market rent (FMR) as established by HUD. Whenever assisted rehabilitation raises the rent above the FMR that unit must be replaced.
- (2) A “vacant occupiable dwelling unit” is a unit in standard condition or a unit in substandard, but is suitable for rehabilitation; or a dwelling unit that has been occupied (except for a squatter) at any time one year prior to the Notice of Approval date for an approved application.
- (3) A unit is “standard condition” is ready to be lived-in with only a minimal amount of deferred maintenance or repair required at a reasonable cost.
- (4) A unit “suitable for rehabilitation” is defined for purposes of this certification as a unit whose estimated repair, rehabilitation, weatherization, and/or general improvement costs do not exceed one-half of its replacement value after rehabilitation. The local government may use their own definition for “suitable for rehabilitation” provided such definition is made public and DED determines the definition to be acceptable.
- (5) Replacement LMI units must be provided within three years from the start of demolition or conversion and must be:
  - i. Located within the same jurisdiction;
  - ii. Sufficient in number and size to house at least the number of occupants that were or could have been housed; according to local occupancy codes;
  - iii. Provided in standard condition or brought up to a standard condition; and
  - iv. Designed to remain LMI for ten (10) years.

- v. Replacement units may include public housing and housing with Section 8 project-based assistance.
- (6) Assistance cannot be obligated to the demolition or conversion activity until the local government makes public and submits to DED information that identifies:
- i. The activity – the location and number of units by bedroom size;
  - ii. The proposed demolition or conversion schedule;
  - iii. The number and placement of replacement units and their size;
  - iv. The source of funding and time schedule for replacement units; and
  - v. The basis for concluding that each replacement unit will remain a LMI unit for 10 years.

- b. **Relocation Assistance** must be provided to each LMI family displaced by the demolition or conversion to another use of any housing unit because of an assisted activity. Persons must be provided assistance as prescribed in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c).

3. The **procurement process** for consultant selection must be outlined in accordance with *Section 5.05 (3) Competitive Proposals*. A grantee must use procurement procedures that are in conformance with State and local laws and regulations, Federal law and the standards identified for grantees within 2 CFR200.300–345.

Grantees must establish and maintain effective internal control over the CDBG award, providing reasonable assurance that all parties involved are in compliance with federal, state, and local statutes, regulations, and the terms and conditions of the CDBG award.

*Overall, recipients of CDBG funds are responsible for ensuring **competitive procurement** for goods and services, in accordance with established rules and regulations using **full and open competition**. Complete documentation of this process is required.*

In specific instances, Exhibit K may be required at the time of application along with related supplemental documentation. **NOTE:** there may be instances where the applicant submits more than one such exhibit, for example when separately procured consulting firms provide general administrative and planning activities.

Applicants shall complete **Exhibit K1a/b** if this process as described in *Section 5.05* will not be used. The applicant must state why and identify and describe the process used for selecting a consultant. This also includes the process used for selecting of the consultant that implements the project. **Exhibit K2** shall be completed if the procurement process is completed prior to submission of application. Procurement process must follow state and federal requirements with the exception of the Applicant/Grantee acting in their own capacity.

Supplemental materials must be provided that clearly demonstrate the applicant community carried out the procurement process, this includes documentation that a reasonable number of appropriate firms were contacted directly and in a meaningful manner. Documentation must also include a narrative indicating the method of procurement, reasoning for selecting that method, how and by

whom the procurement process was carried out, and any other pertinent information about the procurement process, including a description of how the applicant made meaningful contact to a reasonable number of appropriate firms (e.g. five). As an example, meaningful contact may involve an applicant sending the request for proposal directly to firms known to complete the scope of work and follow up with a phone call or email that confirms receipt of the request.

**WARNING:** With the exception of contracts for general administration services, **DO NOT execute any contract for goods or services prior to the Department issuing a written Notice of Release of Funds and Environmental Clearance.** This includes contracts related to project costs or supporting project costs (construction management and housing management).

## **STATE PROGRAM NAME: Emergent Threat (EM)**

**Funding Sources:** CDBG State RLF

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

Within the Community Development Priority Need, CDBG State RLF will be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the emergent threat criteria.

All activities proposed in applications for CDBG funding in the EM Category must meet the national objective of benefitting low-and moderate- income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele), aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS), and/or through urgent need (UN).

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

Local units of government must submit a pre-application to DED. Pre-applications are accepted any time during the year. DED will determine whether the community and project are eligible for funding. This determination may be made in consultation with appropriate federal, state and/or local agencies. If the pre-application meets the requirements, DED will invite the local unit of government to submit a full application. Full applications are reviewed on a quarterly basis by DED. DED will issue a notice of approval to those applicants who demonstrate a need, eligible CDBG activity, and meet the CDBG national objective.

The applications must be signed by the chief elected official and must identify how the proposed project meets and/or addresses all of the following:

- A threat must exist to health, safety, or community welfare that requires action. The threat resulted from unforeseeable and unavoidable circumstances or events (e.g., flood, tornado, fire, etc.);
- The project must meet one of the three national objectives of CDBG;
- It must be an eligible CDBG activity;
- No known alternative project or action would be more feasible than the proposed project;
- Reasonable funding summary, including:
  - Identification the major project delivery costs. (e.g., real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment, etc.) and
  - Indicate the local, state, or federal funds dedicated to the project with clear identification of the CDBG portion.

- Evidence confirming that other financial resources to alleviate the need were not available.
- Narrative must be responsive to the selection criteria as described in the Matrix below.

The Matrix below describes each selection criteria as a numerical score within the EM Category. The maximum number of points available within any application is 100 points. A minimum score of 30 points is required overall.

Selection Criteria Detailed Matrix –EM Category	Maximum	Threshold Minimum
1. Project Need	40	10
2. Project Impact	30	10
3. Project Readiness	30	10
<b>Total</b>	<b>100 points</b>	<b>30 points</b>

### 1. Project Need

Describe the existing or emergent problem and/or an assessment of the identified local need for the project. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 25points: Reasonably defined, average compared to other applicants
- 26– 40 points: well-defined, above average

### 2. Project Impact

Proposed solutions will be evaluated for the degree to which they are long term; appropriate in terms of existing or emergent community need, as well as technical, operational and financial aspects of the project.

Describe each major activity and identify who will own, operate and maintain the proposed improvements. Provide information and supporting documentation identifying the national objective to be met and the proposed number of beneficiaries. Also, include maps that identify the boundaries of the applicant’s jurisdiction, boundaries of the project service area, specific location of each activity, and areas within the 100-year flood hazard boundary.

Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: well-defined, above average



### 3. Project Readiness

To the greatest extent feasible, CDBG funds are to be used as gap financing; this implies that other local, state, and federal funds will be invested in the project. Applications are to identify and describe all other sources of funding for proposed activities. Projects will be reviewed for the extent to which funds have been secured (binding commitments obtained, local funds budgeted, etc.), and realistic schedules are provided to: secure necessary property and easement rights, complete environmental review that complies with CDBG requirements, complete final design plans and bid specifications, complete review and obtain approval by other agencies of all permits necessary to complete project, start, and complete construction. For a project to be considered, sufficient other local, state or federal funds either are not available or cannot be obtained within the time frame necessary to address the problem.

Points in this section include:

- 0 – 8 points: Inadequately defined, below average
- 9 – 20 points: Reasonably defined, average compared to other applicants
- 21– 30 points: well-defined, above average

#### **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 EM 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:

<https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

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

No more than 60% of the CDBG State RLF will be disbursed to eligible CDBG EM activities. See the Annual Action Plan Appendix, Final 2018 Estimated Categorical Distribution.

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

The maximum project cost for CDBG EM activities will be in an amount up to \$450,000 per community. The maximum general administration is 10%, not to exceed \$25,000. Construction Management cannot exceed \$10,000.

##### *Threshold Factors*

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:** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

- **Demonstration of threat:**
  - A threat must exist to health, safety or community welfare that requires action;
  - The threat resulted from unforeseeable and unavoidable circumstances or events;
- **Activities are eligible and comply with a CDBG National Objective:**  
The activity must meet one of the national objectives: LMI, S/B, UN. The following activities are eligible within the EM Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

***Facilities:** Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, 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); Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries; Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered “public facilities” and thus eligible); 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).*

***Infrastructure:** Street improvements including curb, gutter, and sidewalk; Storm sewer improvements; Flood control; and Drainage improvements; Publicly owned water system improvements including, source treatment, storage, and/or distribution improvements; Publicly owned sanitary sewer collection and/or treatment system improvements; and when in support of any of the above activities, acquisition/easements, demolition, and clearance activities may be undertaken.*

**Note:** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- **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**
- **Applicant has adopted an authorizing participation resolution**
- **Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED**
- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

**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 increase accessibility, viability, resiliency, and sustainability of infrastructure and/or facilities.

State of Nebraska  
National Housing Trust Fund (HTF)  
Allocation Plan 2018  
Substantial Amendment

September 2018

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## **I. General Information**

### **Introduction**

The National Housing Trust Fund (NHTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

The National Housing Trust Fund (HTF) was established under Title I of the Housing and Economic Recovery Act (HERA) of 2008, Section 1131 (Public Law 110-289). Section 1131 of HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) to add a new section 1337, entitled "Affordable Housing Allocation" and a new section 1338 entitled "Housing Trust Fund."

The U.S. Department of Housing and Urban Development (HUD) published the proposed HTF formula rule (FR-5246-P-01) on December 4, 2009, and the proposed program rule (FR-5246-P-02) on October 29, 2010. On January 30, 2015, HUD published an interim program rule (FR-5246-I-03). The interim rule provides the guidelines for states to implement the HTF.

On April 26, 2016, HUD issued a notice (CPD-16-07) to provide guidance to HTF grantees on Fiscal Year 2016 HTF Allocation Plans. The Fiscal Year 2016 HTF formula allocation amounts for HTF were published on May 6, 2016.

HUD plans to issue a final rule for the HTF after States have had experience administering the program and are able to offer comments regarding the initial implementation. The first year of the program is crucial in demonstrating States' ability to effectively use this new funding source.

Funding for the HTF comes from an assessment on loans made by Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae). The amount available for allocation is the amount set aside by Fannie Mae and Freddie Mac for the HTF during their fiscal year (January 1-December 31). Allocations will be formula based, but statute requires that each state receive a minimum allocation of \$3 million. If additional funds are available after each state and the District of Columbia (DC) receives the minimum allocation, Puerto Rico and each insular area will receive an allocation. However, if HTF funds are insufficient to provide the minimum grant to each state and DC, HUD will publish a notice in the federal register for public comment, describing an alternative method for allocating grants. Any amounts that become available for reallocation (i.e. grant reductions, recaptured funds, etc.) shall be added to the amounts for formula allocation in the succeeding fiscal year.

As per the HUD published allocation amount, for Fiscal Year (federal) 2016, Nebraska received \$3 million, for the Fiscal Year (federal) 2017, Nebraska received \$3 million, and for the Fiscal Year (federal) 2018, Nebraska will receive \$3 million. In 2018, prior year resources total \$4,539,486, which will be made available to utilize.

### **HTF Allocation Plan**

The Housing Trust Fund (HTF) Interim Rule (24 CFR Part 93) made the consolidated plan regulations at 24 CFR Part 91 applicable to the HTF. As a result, an HTF grantee (i.e., a State) must include HTF in its citizen participation plan (§ 91.115), strategic plan (§91.315), and annual action plan (§ 91.320). In addition, the State must submit to HUD for review and approval an HTF allocation plan with its annual action plan (§ 91.320(k)(5)). Also, as required in § 91.10, the HTF program must be administered by the State on the same program year it established for all grant programs covered by the consolidated plan.

The HTF allocation plan is an annual submission to HUD that describes how the State will distribute the HTF funds, including how it will use the funds to address its priority housing needs. The allocation plan also describes what activities may be undertaken with HTF funds and how recipients and projects will be selected. The State of Nebraska, Department of Economic Development (DED) has been designated by the Governor as the Nebraska recipient of National Housing Trust Fund (HTF) resources from the U.S. Department of Housing and Urban Development (HUD).

Nebraska will receive a HTF grant amount of \$3,000,000 in 2018. Prior year resources are \$4,539,486, for a total of \$7,539,486 that will be made available. HTF funds will be used for rental housing for extremely low income persons (at 30% of the Area Median Income). In accordance with 24 CFR 93, DED will allocate 10% of its grant (\$300,000) for program planning and administration expenses. The remainder of resources (\$7,239,486) will be utilized for new construction or rehabilitation of HTF units and for operating assistance or operating assistance reserves.

## II. Grantee Information

State: Nebraska

FY 2018 HTF Allocation Amount: \$3,000,000

Prior year resources: \$4,539,486

Total Available in Program Year 2018: \$7,539,486

Distribution to applicants: \$7,239,486: LIHTC 9% Set-Aside - \$639,486; Targeted Needs Set-Aside - \$2,100,000;

Permanent Housing Set-Aside - \$4,500,000

State Administration: \$300,000

## III. Consolidated Plan Requirements

### Citizen Participation Plan

The consolidated plan regulation at § 91.115 requires the State to include HTF in its citizen participation plan.

- the amount of HTF assistance the State expects to receive,
- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households, and
- the State's plans to minimize displacement of persons and to assist any persons displaced.

If the State has not yet conducted citizen participation or did not include HTF in the citizen participation it performed for other HUD formula grant programs, then it must conduct citizen participation to include HTF as part of its consolidated plan.

For the purposes of HTF, the State is required to make the following information below available to the public:

- the amount of HTF assistance the State expects to receive.

**The State of Nebraska expects to receive \$3,000,000 in HTF 2018 resources, and \$4,539,486 in prior year resources, for a total of \$7,539,486.**

- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households.

**Nebraska DED, in administering HTF funds will make available to utilize approximately \$7,529,486 in HTF resources for activities that may include: rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households,**

**at or below 30% of the Area Median Income (AMI).**

- the State's plans to minimize displacement of persons and to assist any persons displaced.

**DED will ensure that if rehabilitation is completed in tenant occupied units that displacement will be minimized and will ensure tenants are assisted if displaced. DED will also work closely with any project development team in limiting any displacement.**

## 2015 - 2019 Consolidated Plan Screens To Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS must be revised to include HTF.

- **ES-05 / AP-05 Executive Summary:** § 91.320(b)- The Executive Summary includes seven narratives: (1) Introduction; (2) Summary of Objectives and Outcomes; (3) Evaluation of Past Performance; (4) Summary of the Citizen Participation and Consultation Process; (5) Summary of Public Comments; (6) Summary of Comments Not Accepted; (7) Summary.
- **PR-05 Lead & Responsible Agencies:** §91.300(b)
- **PR-10 Consultation:** §91.110, §91.300 (b); §91.315(l)
- **PR-15 Citizen Participation:** § 91.115 and § 91.300(c)- revise this screen to provide a summary of the citizen participation efforts made for HTF, including efforts to broaden public participation, a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

## IV. Strategic Plan Requirements

The State must amend the affordable housing section of the strategic plan to include specific objectives that describe proposed accomplishments the State hopes to achieve and must specify the number of extremely low-income families to which the State will provide affordable housing to (homeownership- § 93.302; rental- § 93.304) over a specific period of time. The State can complete this requirement by including HTF on the SP-45 Goals screen.

## 2015 – 2019 Strategic Plan Screens to Revise

The following screens in the eCon Planning Suite strategic plan template in IDIS were revised to include HTF.

- **SP-05 Strategic Plan Overview:** Revised this screen to include HTF as one of the Federal funds of which the performance indicators may increase or decrease depending on the annual allocation to the State.
- **SP-10 Geographic Priorities:** § 91.315(a)(1)- revised this screen to discuss how investments are allocated geographically.
- **SP-25 Priority Needs:** § 91.315(a)(2)- revised this screen to indicate the general priorities for allocating investment of available resources among different needs.
- **SP-30 Influence of Market Conditions:** § 93.315(b)- revised this screen to describe how the characteristics of the housing market influenced the State’s decisions regarding allocation priorities among the types of housing assistance.
- **SP-35 Anticipated Resources:** § 91.315(a)(4); § 91.320(c)(1) and (2)- revised this screen to identify the federal, state, local, and private resources expected to be available to the State to address priority needs and specific objectives identified in the strategic plan.
- **SP-40 Institutional Delivery Structure:** § 91.315(k) – revised this screen to include reference that for HTF info and complete narrative see appendix.
- **SP-45 Goals:** § 91.315(a)(4) and § 91.315 (b)(2)- revised this screen to summarize the State’s priorities and the specific goals it intends to initiate and/or complete within the term of the strategic plan. The State also ensured its five year goals included any accomplishments due to HTF funds and must also enter the number of extremely low-income families to which the State will provide assistance with its HTF funds.



## V. Annual Action Plan Requirements

The State must include HTF in its annual action plan or amend the plan to include HTF information as required in § 93.320(k)(5). The action plan must include an HTF allocation plan that describes the distribution of HTF funds, and establishes the application requirements and selection criteria of applications submitted by eligible recipients that meet the State's priority housing needs.

### 2016 Annual Action Plan Screens to Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS were revised to include HTF.

- **PR-05 Lead & Responsible Agencies** – revised to add HTF-related information
- **AP-10: Consultation** – revised to add HTF information
- **AP-15 Expected Resources:** § 91.320(c)(1) and (2)- revised this screen to provide a concise summary of the federal resources expected to be available. The HTF resources added to the SP-35 Anticipated Resources screen will carry over to this screen.
- **AP-20 Annual Goals and Objectives:** § 91.320(c)(3) and (e)- revised this screen to summarize the specific goals the State intends to initiate and/or complete within the term of the program year. Any HTF related goals and objectives entered on the SP-45 Goals screen will carry over to this screen.
- **AP-25 Allocation Priorities:** § 91.320(d)- revised this screen to describe the reasons for the State's allocation priorities and how the proposed distribution of funds will address the priority needs and goals of the strategic plan.
- **AP-30 Method of Distribution:** § 91.320(d) and (k5)- revised this screen to include a description of its method(s) for distribution for the "Other – Housing Trust Fund" selection based on the entry made on the SP-35 Anticipated Resources screen.
- **AP-50 Geographic Distribution:** § 91.320(f)- revised this screen to describe the geographic areas of the state in which it will direct assistance during the ensuing program year and provide rationale for its priorities in allocating investment geographically.
- **AP-55 Affordable Housing:** § 91.320(g)- revised this screen to specify goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing within the program year.
- **AP-65 Homeless and Other Special Needs Activities:** § 91.320(h)- revised this screen to describe how HTF will help to address the State's one-year goals and actions for reducing and ending homelessness, if applicable.
- **AP-75 Barriers to Affordable Housing:** § 91.320(i)- revised this screen to describe how HTF will help with any actions the State's will take during the next year to reduce barriers to affordable housing.
- **AP-85 Other Actions:** § 91.320(j)- revised this screen to describe how HTF will help with any actions the State will take during the next year to carry out the following strategies outlined in the consolidated plan:
  - Foster and maintain affordable housing;
  - Evaluate and reduce lead-based paint hazards;
  - Reduce the number of poverty-level families;
  - Develop institutional structure; and
  - Enhance coordination.

In addition, the State must identify obstacles to meeting underserved needs and propose actions to overcome those obstacles using HTF funds, if applicable.

**HTF Funding Priorities-§ 91.320(k)(5)(i)**

The State is responsible for distributing HTF funds throughout the State according to its housing priority needs. In addition to revising the AP- 30 Method of Distribution screen in IDIS, the State must respond to the following questions.

**1. Will the State distribute HTF funds through grants to subgrantees? If yes, describe the method for distributing HTF funds through grants to subgrantees and how the State will make those funds available to units of general local governments. If no, state N/A. Please attach response if you need additional space.**

N/A

Nebraska will not distribute HTF funds through subgrantees.

**2. Will the State distribute HTF funds by selecting applications submitted by eligible recipients? If yes, describe the eligibility requirements for applicants as defined in §93.2- definition of recipient. If no, state N/A. Please attach response if you need additional space.**

Yes, Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients.

Eligible Recipients include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations; public housing authorities; and State designated Community Housing Development Organizations that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

- 1) Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- 2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- 3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- 4) Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, and manage and operate an affordable multifamily rental housing development.

**Supplemental Information regarding Distribution of HTF Funds and Uses of Funds**

**A. Forms of Assistance**

Eligible uses of funds include: loans, grants, equity investments, and other State approved forms of assistance.

**B. Allocations and Set Asides**

1. Nebraska will reserve a portion of the State’s annual HTF allocation to affordable rental, multi-family projects in coordination with the Nebraska Investment Finance Authority (NIFA) through the joint DED/NIFA application for low income housing tax credit applications within the Low Income Housing Tax Credit (LIHTC) 9% application cycles. This allocation will be referred as the “LIHTC 9% Set Aside.”

For 2018, the amount available to multi-family projects in LIHTC 9% will be **\$639,486: \$500,000 of 2018 allocation and prior year resources of \$139,486.**

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”.

For 2018, the amount available for a HTF Targeted Needs project will be **\$2,100,000: \$700,000 of 2018 allocation and prior year resources of \$1,400,000.**

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

3. Nebraska will allocate the remainder of HTF funds for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through 1) acquisition, rehabilitation, and resale of existing residential units or 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside.”

For 2018, the amount available for permanent housing will be \$4,500,000 and include:  
**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Omaha Continuum of Care;  
**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Lincoln Continuum of Care; and  
**\$1,500,000: \$500,000 from 2018 allocation and prior year resources of \$1,000,000** within the Balance of State (BoS) Continuum of Care.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

The above mentioned amounts reflect the allocation of \$2,700,000 in 2018 HTF resources and \$4,539,486 in prior year resources, with \$300,000 to be used by the State for planning and administration, for a total of \$7,539,486. There is no maximum grant limit within the set amount per set-aside.

**3. Will the State distribute HTF funds by selecting application submitted by eligible recipients? If yes, describe all the criteria that will be used to select applications and the relative importance of these criteria.**

**At a minimum, as required in §91.320(k)(5)(i), the selection criteria must include:**

- **Priority based upon geographic diversity**
- **Applicant’s ability to obligate HTF funds**
- **Applicant’s ability to undertake eligible activities in a timely manner**
- **For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low income families**
- **For rental housing, the duration of the units’ affordability period**
- **The merits of the application in meeting the State’s priority housing needs (please describe)**
- **The extent to which application makes use of non-federal funding sources**
- **Other (please describe). Please attach response if you need additional space.**

Yes, Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients. 90 percent of the HTF funds will benefit extremely low income (ELI) households for rental housing and 10 percent will be used for administrative expenses. Rental housing activities may include:

- Acquisition and rehabilitation of existing housing units (for the creation of additional rental units for ELI persons);
- Rehabilitation of existing rental units;
- Adaptive re-use of existing buildings;
- New construction;
- Operating Cost Assistance (utilized with other rental housing activities); and
- Operating Cost Assistance Reserves (utilized with other rental housing activities).

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed or newly constructed with HTF funds and DED will award no more than one-third of the state's annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program. Priority will be given to projects creating new units.

#### **Recipient Application Requirements- § 91.320(k)(5)(ii)**

**1. Will the State require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in § 93.200- Eligible activities?**

Yes  X  No

**2. Will the State require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements?**

Yes  X  No

#### **Threshold Requirements**

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the 7 housing selection criteria, and includes the following information, unless waived by Nebraska DED for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and the applicant will be notified. Reasonable time will be given to the applicant to submit the missing information.

1. Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:

- a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle.
- b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
- c. Applicants must comply in all respects with NDED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.

2. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
3. Demonstrate the financial feasibility of the project.
4. Certify that housing assisted with HTF funds will comply with HTF requirements.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.

### **NDED Housing Priorities and Scoring Criteria**

HTF funds will be awarded to the applicants whose applications are complete, meet all requirements, and score the highest points until all HTF funds have been allocated. If there is a tie in the scoring of two or more applications the projects will be ranked in the following order to determine which applicant receives priority:

1. The application with the greatest amount of additional subsidy per unit;
2. The application with a proposed project under the Targeted Set-Aside or Special-Needs Set-Aside;
3. The most complete application as determined by the State's completeness review team.

NDED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the NDED application evaluation determines a proposed project is not financially viable or feasible.

### **Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration**

(Answering the relative importance of the readiness of projects in the selection process (the scoring), 'Undertaking Projects in a Timely Manner')

The Nebraska DED HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. The following seven selection criteria, all given equal consideration, will be used to determine HTF allocation of funds, and to evaluate and select HTF applications to be awarded HTF dollars.

The following selection criteria, all given equal consideration, will be used to evaluate HTF applications.

#### **Priority based upon geographic diversity: Geographic Diversity Criteria (up to 10 points)**

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

#### **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycle for LIHTC 9% achieves geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a

community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

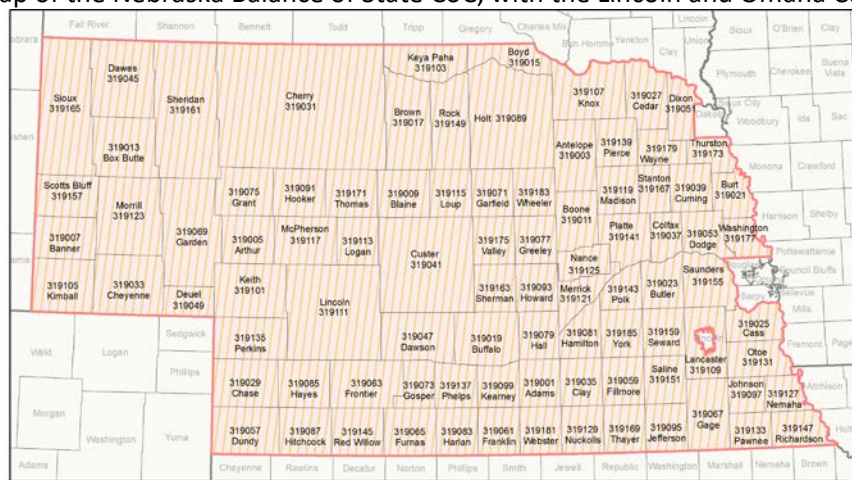
### Targeted Needs Set Aside

For HTF applicants applying within the Targeted Needs Set Aside, the entire state is the eligible area. While two of the three Set Asides do provide geographic diversity, the Targeted Needs Set Aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.

### Permanent Housing Set Aside

For HTF applicants applying for the Permanent Housing Set Aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska. See also the CoC map below.

Map of the Nebraska Balance of State CoC, with the Lincoln and Omaha CoCs excluded below:



2015 CoC Boundary (solid red line) 2014 CoC Boundary (dashed red line)

Source: HUD Balance of State CoC Dashboard map, August 2016.

### Nebraska Homeless Assistance Program (NHAP) Continuum of Care (CoC) Regions

**Lincoln CoC:** City of Lincoln, located within Lancaster County, in the southeast area of Nebraska, also known as the NHAP Region 6

**Omaha CoC:** City of Omaha, located in Douglas and Sarpy Counties, located in the southeast area of Nebraska, also known as the NHAP Region 7

**Balance of State (BoS) CoC:** This region consists of the other five regions of the NHAP Program, which are:

- **Region 1:** Panhandle (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and 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, and 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, and 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, and Richardson counties)
- **Region 5:** Northeast (Know, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, and Douglas counties [Omaha excluded])

**Applicant’s ability to obligate HTF funds: Ability to Obligate Funds Criteria (up to 10 points)**

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control. Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization’s proposed HTF project.

**Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)**

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
  - Timeliness determined through the Threshold Requirements completion
  - Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

Property Portfolio – Describe the applicant’s portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant’s development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Project Management – Describe the procedures in place for monitoring the progress of the project.

**For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so units are affordable to extremely low income families: Project-Based Rental Assistance for ELI Criteria (up to 10 points)**

Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and

utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

**For rental housing, the duration of the units' affordability period: Affordability Period Criteria (up to 10 points)**

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.

**The merits of the application in meeting the State's priority housing needs: Priority Housing Needs Criteria (up to 10 points)**

HTF applications will be consistent with the State's Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars.

Applications will be reviewed to evaluate which of the three applicable objectives are addressed:

1. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
2. Is the project application promoting housing preservation by improving the quality of Nebraska's existing affordable housing?
3. Does the project application enhance statewide understanding of fair housing law through outreach and education?

The Homeless Services Priority Need has been described previously and has two primary objectives.

Applications will be reviewed and evaluated as to whether these objectives are addressed.

1. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
2. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?

Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.

Describe how the proposed project impacts the community.

**The extent to which application makes use of non-federal funding sources: Non-Federal Funding Sources Criteria (up to 10 points)**

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.



The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

**Performance Goals and Benchmarks- § 91.320(k)(5)(iii)**

The plan must include performance goals and benchmarks against which the State will measure its progress, consistent with the State's goals established at § 91.315(b)(2). To comply with this requirement, the State will include HTF housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens in the eCon Planning Suite consolidated plan template in IDIS.

**VI. Other Requirements**

**Maximum Per-unit Development Subsidy Amount- § 91.320(k)(5) and § 93.300(a)**

The State must establish its own maximum limitations on the total amount of HTF funds that can be invested per-unit for development of non-luxury housing. The limits must be reasonable, based on actual costs, and adjusted for the number of bedrooms and geographic location of the project. The State may choose to develop its own limits or adopt limits used in other federal programs such as HOME or Low-Income Housing Tax Credit and must submit them with its HTF allocation plan. The State must submit a description of how the HTF maximum per-unit development subsidy amounts were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements. **Indicate below what maximum per-unit development subsidy limits the State will use for its FY 2018 HTF program.**

State developed its own maximum per-unit development subsidy limits and the limits are attached.

State adopted limits used in other federal programs and the limits are attached.

**Supplemental Information for Maximum Per Unit Subsidy**

During 2018, the third year of the program, while Nebraska and its development partners gain experience using HTF to create affordable rental housing to ELI households, the State will adopt limits used in other federal programs and will utilize the current HOME maximum per unit subsidy limits. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements.

The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska. The current limits include a calculation based on the Section 234 Basic (Elevator type) Limit up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits include:

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Base</b>		\$ 61,281.00	\$ 70,250.00	\$ 85,424.00	\$ 110,512.00	\$ 121,307.00
<b>Des Moines MSA</b> Guthrie, Dallas, Polk, Madison and Warren Counties	240%	\$ 147,074.40	\$ 168,600.00	\$ 205,017.60	\$ 265,228.80	\$ 291,136.80
<b>Omaha MSA</b> Saunders, Washington, Douglas, Sarpy and Cass Counties in Nebraska Harrison, Pottawattamie and Mills Counties in Iowa	236%	\$ 144,623.16	\$ 165,790.00	\$ 201,600.64	\$ 260,808.32	\$ 286,284.52
<b>All other PJs/Counties</b>	225%	\$ 137,882.25	\$ 158,062.50	\$ 192,204.00	\$ 248,652.00	\$ 272,940.75

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs per unit of affordable rental housing properties in Nebraska for the past few years. While there is a variation in individual project costs, there is relatively little variation in the average per unit costs in various locations throughout the state, in both rural and urban areas. Because of the relatively consistent development costs throughout the state, Nebraska chooses to utilize the HOME per unit subsidy limits as these limits are existing and an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

Below is further evidence to support the decision to utilize the above mentioned per unit subsidy limits.

	Graham Park	Meadow Vista	Heather Estates	Wilderness Falls
Location	Seward	North Platte	Imperial	Falls City
Total Cost	\$2,167,429	\$2,192,111	\$1,870,420	\$3,016,216
Number of Units	11	12	10	16
<b>Total Cost Per Unit</b>	<b>\$197,039</b>	<b>\$182,676</b>	<b>\$187,042</b>	<b>\$188,514</b>
Unit Description	6 3-Bedroom units; 3 4-Bedroom units; 2 3-Bedroom market rate units	12 3-Bedroom units	6 3-Bedroom units; 2 4-Bedroom units; 2 3-Bedroom market rate units	14 2-Bedroom units; 2 3-Bedroom units

Subsidy limits evidence continued:

	Lofts on 24 <sup>th</sup> Street	Northwest Senior	City Impact	Ambassador& President
Location	Omaha	Omaha	Lincoln	Lincoln
Total Cost	\$4,452,482	\$6,262,366	\$4,354,891	\$7,996,507
Number of Units	20	36	14	71
<b>Total Cost Per Unit</b>	<b>\$222,624</b>	<b>\$173,955</b>	<b>\$311,063</b>	<b>\$112,626</b>
Unit Description	3 2-Bedroom units; 14 3-Bedroom units; 3 4-Bedroom units	36 3-Bedroom units	14 4&5-Bedroom Units	30 SRO Units; 41 1-Bedroom Units

**Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b)**

If the State intends to use its HTF funds for housing being rehabilitated, it must establish rehabilitation standards that all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion in accordance with § 93.301(b). The standards must provide enough detail on what work is required, how that work should be performed and what materials should be used. The State’s standards may refer to applicable codes or may establish requirements that exceed the minimum requirements of the codes. At a minimum, the rehabilitation standards must address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;
- State and local Codes, Ordinances, and Zoning Requirements; and
- Inspectable Areas and Observable Deficiencies from HUD’s Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing.

See also Attachments A, B, and C for further information.

**Indicate below if the State will use HTF funds for rehabilitation of housing.**

The State plans to use HTF funds for the rehabilitation of housing and has attached its rehabilitation standards.

The State will not use HTF funds for rehabilitation of housing.

**Supplemental Information for Rehabilitation Standards**

Additional information regarding DED Rehabilitation Standards is identified within the Attachments to this HTF Allocation Plan.

**Resale and/or Recapture Provisions- §91.320(k)(5)(v) and §93.304(f)**

If the State intends to use HTF funds to assist first time homebuyers, it must set forth the guidelines for resale or recapture and obtain HUD specific, written approval, as required in §93.304(f). Approval of the consolidated plan or annual action plan under §91.500 or the failure to disapprove the consolidated plan or annual action plan does not satisfy the requirement for specific HUD approval for resale or recapture guidelines.

**Indicate below if the State intends to use HTF funds for first time homebuyers.**

The State will use HTF funds to assist first time homebuyers and has attached the applicable resale/recapture provisions.

The State will not use HTF funds to assist first time homebuyers.

**HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305**

HTF funds may only be invested for the provision of modest housing for homeownership. This means the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area for newly constructed or standard housing. If the State plans to use HTF funds for homebuyer assistance, and does not use the HTF affordable homeownership limits established by HUD, it must determine 95 percent of the median purchase price for single family housing for designated areas across the State. If the State will determine its own affordable homeownership limits, it must determine the limits using the methodology described in § 93.305(a)(2).

**Indicate below if the State will use HTF funds for homeownership housing and what affordable homeownership limits it will use.**

The State will use HTF funds for homeownership housing and will use the HUD issued limits.

The State will use HTF funds for homeownership housing and has determined its own affordable homeownership limits and the limits are attached.

The State will not use HTF funds for homeownership housing.

**State Limited Beneficiaries or Preferences- § 91.320(k)(5)(vii)**

The State may limit the beneficiaries or give preferences to a particular segment of the extremely low-income population only if described in the action plan. Any limitation or preference must not violate non-discrimination requirements at § 93.350 and the State must not limit or give preferences to students. The State may also allow rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3), only if such limitation or preference is described in the action plan.

**Indicate below if the State will limit beneficiaries or give preferences to a particular segment of the extremely low-income population.**

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population. The groups listed have also been identified in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

**Supplemental Information for State Limited Beneficiaries or Preferences**

A portion of HTF funds will be used for the creation and rehabilitation of permanent housing throughout the state. Within this distribution category, preference will be given to persons who are homeless; persons at risk of becoming homeless; and other special needs populations.

In addition, a portion of HTF resources will be used for the creation of additional housing for the targeted needs populations, including populations that may include: children aging out of foster care, and other populations that are extremely low income with housing shortages throughout the state. Preferences will be made for those populations served through the HTF Targeted Needs category.

Within the joint DED/NIFA LIHTC 9% cycles, a portion of HTF resources will be utilized. There are two cycles within LIHTC 9%. One cycle is the competitive cycle for applicants throughout the State of Nebraska. The other

cycle is the CRANE cycle, which gives preference to special needs populations as defined within the CRANE application. Currently this includes: Housing for individuals with special needs (such as physical or mental disabilities, substance abuse issues, homeless, or those experiencing severe economic distress), including housing for populations with incomes below 30% of the applicable Area Median Income (AMI). At least 30% of the units must serve individuals with special needs.

During the development of the State's HTF Allocation Plan, within the citizen participation process, several respondents identified the need for additional permanent houses for ELI persons and this was one of the reasons that the Permanent Housing Set Aside was established within the Allocation Plan.

In addition, within both the Consolidated Plan and the State's Annual Action Plan, the State discussed the need to continue to find ways in which to provide additional permanent housing for Extremely Low Income persons, including those who are homeless or at-risk of homelessness. From the most recent data it was found that based on ESG household placements only 37% of the household placements were into permanent housing. See also AP-65 of the 2018 AAP and SP-60 of Consolidated Plan.

This limited beneficiary preference also supports the actions planned to reduce the number of poverty-level families which includes utilizing 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. See also AP-85 of the 2018 AAP and SP-70 of the Consolidated Plan.

Other evidence that supports the need for creating a priority for permanent housing is through the findings within the State's "Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska" which is referenced in the State's AAP and also at:

[http://opportunity.nebraska.gov/files/crd/nchh/NCHH\\_OpeningDoors\\_StateofNE10YearPlantoPreventandEndHomelessness.pdf](http://opportunity.nebraska.gov/files/crd/nchh/NCHH_OpeningDoors_StateofNE10YearPlantoPreventandEndHomelessness.pdf) .

Overall, there continues to be a significant unmet need for permanent housing throughout the state, particularly for ELI persons. HTF resources will be used to further decrease that unmet need.

**Refinancing of Existing Debt-** § 91.320(k)(5)(viii) and § 93.201(b)

If the State will use HTF funds for refinancing of existing debt, it must establish refinancing guidelines and include them in its consolidated plan. The State's refinancing guidelines must describe the conditions under which it will refinance existing debt. At a minimum, the guidelines must demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. Refinancing of existing debt is only eligible if it is necessary to reduce the overall housing costs and to make the housing more affordable.

***Indicate below if the State will permit the refinancing of existing debt.***

The State will permit the refinancing of existing debt and the conditions under which the State will refinance existing debt are attached.

The State will not permit the refinancing of existing debt.

**ATTACHMENT A**  
**NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT**  
**NATIONAL HOUSING TRUST FUND (HTF)**  
**REHABILITATION STANDARDS**

**I. PURPOSE OF STANDARDS**

- A.** The National Housing Trust Fund Rehabilitation Standards (known herein as the “HTF Standards”) are designed to outline the requirements for building rehabilitation for all Nebraska Department of Economic Development (NDED) National Housing Trust Fund (HTF) funded multi-family housing projects. The HTF Standards are applicable to all NDED HTF-funded rehabilitation projects. The HTF Standards, though a requirement specifically to the development entity in direct receipt of NDED HTF funding, are written to provide guidance to all relevant members of a project development team.
- B.** The goal of the NDED HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.
- C.** If a project is out of compliance with the HTF Standards, the grantee shall bring to the attention of NDED staff the specific portion of the project which does not comply, stating the reasons for non-compliance. NDED staff will make a determination as to whether an exception to the HTF Standards shall be granted.
- D.** Note: At the time of publication and adoption of the HTF Standards, the adopted codes referenced are believed to be those in force. As standards and codes change and are put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

**II. QUALITY OF WORK**

- A.** Quality of Work: Grantees and developers shall ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications as well as subsequent mutually agreed upon change orders during the construction process. Grantees and developers will employ best practice industry standards relating to quality assurance to verify all work completed.
- B.** Project Design Professionals
  1. Projects will be designed by licensed professionals per applicable Nebraska Fire & Building Codes.
  2. The project developer will formally contract with licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes. (See Section III below.)
  3. In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices and installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA) Architectural Woodwork Institute, SMACNA, ASTM, AFME, etc.
- C.** By meeting the various code requirements as a minimum standard, together with the other standards herein or in attendant NDED policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.
- D.** Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

### **III. CODE COMPLIANCE**

- A.** All work shall comply with all applicable Nebraska state and local codes, ordinances, and zoning requirements.

Applicable state codes include but are not limited to:

1. ICC, International Building Code (IBC), 2012
  2. International Existing Building Code, 2012
  3. International Energy Conservation Code, 2009
  4. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011)
  5. International Residential Code, 2012
  6. Nebraska State Fire Code Regulations, Title 153
  7. NFPA 1, Fire Code, 2012
  8. NFPA 101, Life Safety Code, 2012
  9. Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
  10. Nebraska Elevator Statutes, Neb. Rev. Stat. §§48-2501 to 48-2533; and Code, Title 231, Chapter 1
  11. ADA Standard for Accessible Design, 2010
  12. Nebraska Department of Economic Development Minimum Standards for Rehabilitation
- B.** Please note that the NDED HTF grantee must demonstrate compliance with all state and local codes through project affiliation with professional design team drawing certifications (e.g. architectural design stamp) and/or other approved methods such as state inspector certification.
- C.** A code review analysis will be produced by the project's design professionals itemizing the applicable codes for each area of discipline.
- D.** The HTF Standards are designed to exceed the Uniform Physical Condition Standards (UPCS) and ensure that upon completion, the HTF-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. See Attachment B attached hereto for a list of Inspectable Items and Observable Deficiencies, including descriptions of the type and degree of deficiency for each item that any HTF-assisted project must address, at a minimum.

### **IV. HEALTH AND SAFETY**

- A.** If the housing is occupied at the time of rehabilitation, any life-threatening deficiencies must be identified and addressed immediately. See Attachment B for a list of Inspectable Items and Observable Deficiencies, including the identification of life-threatening deficiencies (highlighted in orange) for the property site, building exterior, building systems, common areas, and units.

### **V. SCOPE OF WORK DETERMINATION**

- A.** In developing scopes of work, grantees and developers will work with NDED to ensure that all requirements under the HTF Standards are satisfied and that the proposed scope of work meets the goals of Part I above. NDED approval of all scopes of work is required.

### **VI. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING**

- A.** In developing scopes of work on housing rehabilitation projects NDED HTF grantees and developers will consider the remaining expected useful life of all building components with regard to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (30 years) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years shall be considered for future replacement. For multifamily housing with 26 or more total units, the useful life of systems must be determined through a capital needs assessment that determines the work to be performed and identifies the long-term physical needs of the project.

- B.** Project capital needs assessments (CNAs) are required for multifamily housing with 26 or more total units; the CNA's must determine the useful life of systems and the work to be performed, including identifying the long-term physical needs of the project. The industry standard period for CNA's is 20 years; however, project CNA's must be updated every five years during the life of the project to ensure projected capital needs through the 30-year HTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C.** Once a scope of work has been developed by the grantee and their development team, the grantee must also develop a capital plan in compliance with the Capital Needs Assessments. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate funding to be viable for at least 20 years, the length of the capital plan, with subsequent updates every five years during the 30-year affordability period.
- Example #1: Kitchen cabinets with a remaining useful life of 8 years may be permitted to be left in place and not included in the rehabilitation scope. However, adequate funding shall be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
  - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since NDED requires updates of CNA's to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6-25. During these 5-year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D.** Monthly replacement reserves contributions of at least \$50 per unit per month are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent 5-year updates) indicate that replacement costs for the period exceed the amount generated by a \$50 per unit per month contribution, a higher per unit per month contribution will be required.
- E.** Grantees and their development teams should ensure that all building components are analyzed as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way which maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.

## **VII. ENERGY EFFICIENCY**

- A.** All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code, Nebraska Uniform Energy Efficiency Codes, and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
- B.** In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.



## **VIII. DISASTER MITIGATION**

- A.** To the extent applicable/relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. tornadoes, floods, wildfires) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.
- B.** Specifically regarding flood hazards, a relevant potential natural disaster for the State of Nebraska:
  - 1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
  - 2. Projects shall meet fluvial erosion prevention requirements per local municipality regulations.
- C.** Specifically regarding tornadoes, another relevant potential natural disaster for the State of Nebraska:
  - 1. Projects shall meet applicable federal, state, and local codes and design considerations will be made for ensuring new construction includes a basement (if applicable and feasible) or a safe room. Rehabilitation of existing properties will include an evaluation of tornado safety features within the property.
  - 2. Applicable FEMA guidance will be consulted, as appropriate, including FEMA P-320 "Taking Shelter from the Storm: Building a Safe Room for Your Home or Small Business" and FEMA P-361 "Safe Rooms for Tornadoes and Hurricanes: Guidance for Community and Residential Safe Rooms, Third Edition (2015)" found at:
  - 3. <https://www.fema.gov/fema-p-320-taking-shelter-storm-building-safe-room-your-home-or-small-business> and <https://www.fema.gov/media-library/assets/documents/3140>

## **IX. BIDDING AND PROJECT MANAGEMENT**

- A.** All projects will be bid in accordance with procurement provisions of federal law found at 2 CFR §§200.318 through 200.326 and State Law which applies to all NDED HTF-funded projects. Grantees and developers will submit a project management plan with their application which will outline how the project will be managed (e.g. General Contractor (GC) bid project, Construction Management (CM) project or other project management plan). Any changes to project management operational structure which substantially varies from the plan provided to NDED at the time the HTF funding is awarded requires prior notification to NDED HTF staff.

## **X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS**

### **A. BUILDING OCCUPANCY & CONSTRUCTION TYPE**

- 1. Fire resistance rating separation requirements per code
- 2. Shall comply with NFPA 1 and NFPA 101, Chapters 8 & 43

### **B. HISTORIC BUILDINGS**

- 1. Shall comply with NFPA 101, Chapter 43.10.4
- 2. Shall comply with IBC, Chapter 3409

- C.** Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings and with consultation of the Nebraska State Historic Preservation Office (SHPO).

### **D. ACCESSIBILITY REQUIREMENTS**

- 1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
- 2. General Requirements:
  - a. Projects shall meet applicable Federal and State Regulations and Rules
  - b. The number of accessible apartment units shall be determined by the code requirements
  - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public

- entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable
- d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205 and that the Fair Housing Act Amendments of 1988 (as amended) with consideration being given to the accessibility/adaptability of units to handicapped occupancy.
  - e. Rehabilitation of existing buildings constructed and first occupied prior to March 13, 1991, that may be exempt from the Architectural Guidelines adopted in the Fair Housing Act Amendments of 1988 will ensure compliance with applicable federal, state, and local building codes and will include compliance with applicable Section 504 requirements.
3. Projects shall comply with other standards as may apply or be required by funding sources (i.e. USDA Rural Development)
  4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
    - a. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
      - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
      - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
      - iii. Common spaces must be made accessible to the greatest extent feasible
    - b. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
  5. Projects, if applicable, shall comply with all Accessibility/Adaptable Dwelling requirements of the Fair Housing Act of 1988; applicable Uniform Federal Accessibility Standards (UFAS); and any applicable requirements of ANSI A117. These may include, but are not limited to:
    - a. The structures shall all be on an accessible route, in and through the Unit;
    - b. A proper number of units will be fully accessible and may target Special Needs households which may include the 5% minimum requirement per UFAS and ADA;
    - c. Units will have ADA Thresholds on all front Doors;
    - d. Units will have a removable Front and Panel on the Kitchen Sink;
    - e. Units will have reinforcement for future grab bars in all bathrooms, tubs, and showers;
    - f. Units will have Convenience receptacles, Switches, and controls mounted between 15" and 48" to the usable part of the device;
    - g. Units shall have 36" wide doors;
    - h. Units shall have ADA Lever handles on all hardware;
    - i. Units shall have the required floor space requirements for ranges, sinks, water closets, and lavatories;
    - j. Door swings will have 18" clearance beside the Latch side of the door, if the door swings into the direction of travel.

## **E. BUILDING DESIGN**

1. The project developers are encouraged to draft an architectural program document outlining the goals for the project.
2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
3. Means of egress components shall be in conformance with Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
4. Apartment layout:
  - a. Room sizes –minimum in accordance with IBC 1208 and/or local codes.
  - b. Interior environment shall comply with Chapter 12 of the IBC.
  - c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
    - i. SRO's and other special housing types may be an exception
  - d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with IBC 1210
    - i. SRO's and other special housing types may be an exception
5. Storage – adequate clothes closets, pantry and general storage shall be provided.
6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste in compliance with current State and Federal regulations.
8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.

## **XI. REHABILITATION CONSTRUCTION STANDARDS**

### **A. SITE**

1. General:
  - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
  - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
  - c. Design and systems shall conform to all applicable codes, rules and regulations:
    - i. Local and municipal zoning
    - ii. Local and State Fire and Building Codes, current adopted addition
    - iii. Nebraska State Fire Code Regulations, Title, 153
    - iv. NFPA Codes as they may apply
  - d. Permits - Any and all permits, bonds or licenses required for the execution of the work specified by the Work Write-Up shall be obtained and paid for by the Contractor prior to the start of that work. Contractors and subcontractors will be responsible for obtaining any progress or final inspections from the local jurisdiction's building departments. Failure to call for the required inspections or proceeding without inspection, such as covering work without approval and deviating from approved plans and specs, may result in violations that could include no payment. Upon project completion, each unit must be decent, safe, sanitary, and in good repair.
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
4. Sewer connections to municipal sewage systems and on-site sewage disposal:
  - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New systems designed to conform to the State “Wastewater System & Potable Water Supply Rules” (WW permit) regulations.
5. Water service:
  - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Required new systems shall be designed to conform to the State “Wastewater System & Potable Water Supply Rules” (WW permit) regulations, and the American Waterworks Association (AWWA) guidelines.
6. Vehicular access to public way – site design shall conform to local zoning and transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.

9. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
  - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
12. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
14. Fuel Storage – Onsite outdoor placement and storage of fuels per applicable regulations and utility requirements.
15. Underground or overhead utilities – as regulated by code and utility rules.

## **B. FOUNDATIONS**

1. Existing foundations shall be examined by qualified professionals
  - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
  - b. Design and implement structural reinforcements or reconstruction as necessary.
2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
4. New below-grade structures to conform to Chapter 18 of IBC as appropriate.
5. Basement floors:
  - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
  - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
  - c. Dead spaces
    - i. provide concrete rat slabs,
    - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
6. Moisture mitigation
  - a. Water and damproofing – where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.
  - b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
  - c. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

### **C. MASONRY COMPONENTS**

1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended.
  - a. Masonry shall be plumb, and structurally sound.
2. Repair or replace deteriorated portions or missing units.
  - a. Brick veneer shall be sound, or repaired to be sound.
3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids.
  - a. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act.
  - a. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
5. Chimneys
  - a. Assure structural integrity, reconstruct, and point as necessary
  - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.

### **D. STRUCTURE**

1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
2. In general, structure evaluation and design shall be in conformance with International Building Code requirements.
  - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
  - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
  - a. Repairs shall be made to any deteriorated load-bearing structural elements.
  - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.

### **E. ENCLOSURE - SHELL**

1. Roofing
  - a. Existing
    - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year Capital Plan and/or subsequent 5-year updates during the 30-year affordability period.
    - ii. Repair existing roofing as required.
    - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable.
  - b. New Roofing
    - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
    - ii. New roofing system components shall be compatible, and include - the nail base,

- the underlayment layer, ice & water shield self-adhesive membrane flashings, metal flashings and roofing.
  - Strip existing roofing and dispose of properly.
  - Examine exposed existing substrate for structural soundness
  - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
  - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity of the roof system shall be assured.
- c. Ventilation
  - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
- 2. Exterior Finishes
  - a. Cladding
    - i. Wood Siding –
      - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
      - Siding shall be free of gaps and holes and provide continuous weatherproof system.
      - Repair or re-side as necessary to provide a weather resistant enclosure.
      - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - ii. Masonry
      - Masonry bearing walls and veneers shall be restored as necessary
        1. Refer to Section XI. C. – Masonry
        2. Refer also to Section XI F.2.b – Enclosure Thermal for insulation requirements
        3. All work on historic masonry shall be done in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
- 3. Trim – Exterior trim and architectural woodwork.
  - a. Existing wood trim:
    - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
    - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
    - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
  - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
  - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
- 4. Paint
  - a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings.
  - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
    - i. Prepare surfaces properly, removing loose or peeling previous paint.

- ii. Paint prep shall be done in accordance with applicable lead safe standards. (See also Section XI N.1.b-Special Construction)
  - c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
  - d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers' specifications.
- 5. Porches, decks and steps
  - i. Existing porches, decks, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - ii. Inspect structure for soundness and reconstruct any deteriorated members as required.
  - iii. Install new support piers as may be required.
  - iv. Patch existing decking with matching materials, or install new durable decking.
  - a. Railings
    - v. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
    - vi. Shall meet code requirements for height of protective guards, or have supplemental guards installed.
  - b. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
  - c. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - d. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.

**F. ENCLOSURE – THERMAL**

- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
  - a. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- 2. Insulation
  - a. Insulation levels shall conform to the NDED's Minimum Standards for Rehabilitation.
  - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
- 3. Air sealing – comply with the NDED's Minimum Standards for Rehabilitation.
  - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
  - b. Blower door testing shall be performed to verify compliance and successful execution.
- 4. Indoor air quality
  - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in



this regard. Treatment of existing stone, concrete or masonry basement walls, and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.

5. Ventilation

- a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
- b. See Section XI E.1.c for roof assembly ventilation.

**G. ACOUSTICAL TREATMENTS**

1. Dwelling units separated acoustically using Chapter 1207 of IBC as a guideline minimum standard.

**H. DOORS**

1. General

- a. Doors to meet code requirements of NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2
- b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
- c. Be sound and secure.
- d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
- e. Flash properly, and have shim spaces insulated.
- f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - i. Restore as required to provide useful life.
  - ii. Shall be tested and modified as necessary to operate properly.
  - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
  - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

2. Apartment doors

- a. Apartment unit entry doors shall be fire rated as required.

3. Other doors – Access doors shall meet code requirements for fire rating.

4. Door hardware shall operate properly, be secure and shall meet accessibility standards and NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2.

**I. WINDOWS**

1. Windows shall be of legal egress size when required by code

2. Existing windows:

- a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
- c. Install new weather stripping to provide seal against weather elements and air infiltration.
- d. Air seal shim spaces and window weight pockets if possible.
- e. Restore and modify as required to provide useful life.
- f. Shall be tested and modified as necessary to operate smoothly and properly per code.
- g. Historic windows designated to remain shall be restored to sound serviceable condition,

and in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.

- h. Hardware shall be intact and operational, or be replaced with new hardware as required.
3. New Windows:
- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
  - b. New windows shall be code compliant, and conform with NDED’s Minimum Standards for Rehabilitation. Developers are encouraged to consider upgrading to greater energy efficient windows by providing R-5 windows.
  - c. Additionally, new window units should be tested assemblies meeting ASTM standards for water penetration & air leakage.
  - d. All windows shall be installed per manufacturer’s installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.

**J. INTERIOR FINISHES**

- 1. In general, all interior finishes will be new and installed per manufacturer’s recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
- 2. Per chapter 10 of NFPA 101 (Reference also Chapter 8 of the IBC).
- 3. Walls & ceilings
  - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State DPS shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
- 4. Flooring
  - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
  - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer’s specs and the trade association practices.
- 5. Trim - Wood trim and architectural woodwork
  - a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
- 6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer’s recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See also Section XI N.1.b-Special Construction).

## **K. SPECIALTIES**

1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
3. Signage and identification – building signage shall be provided as appropriate:
  - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant and 911 approved.
4. Exit signage will be provided as required by code and be accessibility compliant as required.
5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire authorities. Locate as directed by authorities.
6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.

## **L. EQUIPMENT**

1. All new equipment to be Energy Star® rated.
2. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
3. Equipment shall conform to the NDED's Minimum Standards for Rehabilitation.
4. Kitchen appliances –
  - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
  - b. Existing appliances to be reused shall be in good and serviceable condition.
  - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
  - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
5. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
  - a. Heat pump dryers are encouraged where appropriate and readily available.
  - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
6. Solid waste handling-As appropriate, provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in order to utilize appropriate recycling practices, when feasible.
7. Playground equipment – Provide safe, code-approved new playground equipment if a playground is appropriate.

## **M. FURNISHINGS - CASEWORK**

1. Kitchen cabinetry and counters
  - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New cabinetry
    - i. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 "Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities" standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer's Association (KCMA) "Severe Use Specification – 2014," the Architectural Woodwork Institute's (AWI) Woodwork Standards and Cabinet

Fabrication Handbook.

- ii. New counters shall be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
  - Shop fabricated as one-piece assembly where possible. Seal field joints.
  - Installed level and securely fastened to cabinetry.
2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one-piece integral bowl with integral backsplash.

#### **N. SPECIAL CONSTRUCTION**

1. Hazardous materials and remediation – see NDED’s Minimum Standards for Rehabilitation:
  - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:
    - i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
    - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
  - b. Lead - Health and Safety and Lead Safe Housing:
    - i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance as required under 24 CFR Part 35.
    - ii. Lead-Based Paint
      - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling. Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:

Federal Regulations:

        - HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing. More information is available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshr](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr)
        - EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
        - HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at: [http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_12347.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf)

- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: <https://www.osha.gov>

Nebraska Regulations Title 178 Nebraska Administrative Code (NAC) Chapter 23:

- Nebraska law requires all work that disturbs paint in target housing to be completed using lead safe work practices. Rehabilitation completed in accordance with federal regulations described above will generally fulfill this requirement. Nebraska law includes the implementation of the Residential Lead-based Paint Professions Certification Act and the Uniform Licensing Law, as applicable.
- Nebraska law also requires conformance with Neb. Rev. Stat. §71-2518 lead poisoning prevention program and Neb. Rev. Stat. §§71-6318-71-6331.01 related to the Residential Lead-Based Paint Professions Practice Act.
- Any questions regarding compliance with lead paint regulations should be directed to the Nebraska Department of Health and Human Services, Public Health Division, Lead-Based Paint Program at 402-471-0549 or at: <http://dhhs.ne.gov/publichealth/Pages/LeadContact.aspx>

#### **O. CONVEYANCE SYSTEMS**

1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
  - a. Installed per code NFPA 101, Chapter 9.4
  - b. ASME 17.1 Safety Code for Elevators – 2013
  - c. Nebraska Elevator Safety Rules
2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period, and approved by agencies having jurisdiction.

## **P. MECHANICAL**

1. General:
  - a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
  - b. Energy efficiency:
    - i. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011).
    - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
    - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
  - c. All mechanical systems shall meet all applicable codes:
    - i. Nebraska State Fire Code Regulations, Title 153 & NFPA 101 Life Safety Code, 2012 Edition
    - ii. International Plumbing Code – 2012 & Nebraska Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
    - iii. Nebraska Energy Codes as they may apply:
      - Nebraska Residential Building Energy Standards (NBES) for buildings of three stories or less; and/or
      - Nebraska Commercial Building Energy Standards (NBES) for buildings of 4 stories or more, and some mixed-use buildings.
    - iv. Plumbing fixtures will be accessibility compliant as required
    - v. State and local Fire & Building Codes, as applicable.
2. Fire protection
  - a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by NFPA 101 and NFPA 1, and approved by the Nebraska State Fire Marshal:
    - i. System design to conform to applicable NFPA standard 13 or 13R
    - ii. System calculations and design shall be done by a person holding a NICET Level III certification or a Water-Based Fire Protection System Contractor approved by certification with the Nebraska State Fire Marshal.
    - iii. System installed by State approved persons holding appropriate TQP certificates.
    - iv. Underground water services for sprinkler system shall meet NFPA 24
    - v. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
  - b. Where possible, piping for the sprinkler system shall be concealed.
3. Plumbing
  - a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
  - b. Use water-saving shower heads and faucet aerators as required and applicable.
  - c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Nebraska Plumbing Rules.
  - d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with P.3.a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
  - e. Bath fixtures – When existing bath fixtures are not reused in accordance with P.3.a. above, new

water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in each apartment.

- i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
  - f. Provision for laundry rooms or laundry hook-ups may be made per project’s program requirements.
  - g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
4. Heating
  - a. System design:
    - i. Must comply with NDED’s Minimum Rehabilitation Standards.
    - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
  - c. Provide adequate heat in common spaces.
  - d. Install pipe insulation with minimum 1.5” wall thickness
  - e. Minimum equipment efficiencies per applicable Nebraska Department of Energy requirements
  - f. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD) per state and local requirements.
  - g. Control wiring and control strategies per state and local requirements with outdoor temperature reset.
  - h. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
5. Ventilation
  - a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
    - i. Fire protection of system ducts per NFPA 101, Chapter 9.2
    - ii. ASHRAE 62.2
    - iii. REBS or CBES
    - iv. NDED Rehabilitation Standards.
  - b. Balanced mechanical ventilation systems are encouraged.
  - c. Ventilation controls shall be per applicable codes
6. Domestic Hot Water:
  - a. System shall be designed as required per code.
  - b. Install pipe insulation per code.

#### **Q. ELECTRICAL**

1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
2. Project electrical must be installed by a licensed electrician
3. Energy efficiency:
  - a. Must comply with NDED’s Minimum Rehabilitation Standards.
4. Design shall comply with all the applicable codes:
  - a. Nebraska State Fire & Building Code, Title 153

- b. NFPA 101, Life Safety Code
  - c. NFPA 70, National Electrical Code, 2011 Edition
  - d. NFPA 72, National Fire Alarm and Signaling Code
  - e. NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection
5. In general, the electrical system should be new throughout a building:
    - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
  6. Utility connections shall be installed per the rules and regulations of the electrical utility.
  7. Electrical service and metering:
    - a. The service entrance size shall be calculated to handle the proposed electrical loads.
    - b. Metering and disconnects shall be per code and mounted at approved locations.
  8. Elevator wiring shall conform to the ANSI 17.1 as provided within the Nebraska Elevator Safety Rules.
  9. Electrical distribution system:
    - a. Lighting and receptacle circuits shall be designed per code.
    - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
    - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
  10. Artificial Lighting shall be provided using IBC 1205 as a minimum guideline.
    - a. All lighting shall be in accordance NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
    - b. Developers are encouraged to upgrade to Energy Star® Category.
  11. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
    - a. Energy efficient lighting shall meet the minimum program requirements of NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
  12. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
  13. Fire detection and alarms:
    - a. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
    - b. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
    - c. CO detectors shall be installed per Nebraska State Fire and Building Code and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
    - d. Where required – system annunciation shall be in accordance with NFPA 1.
  14. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
  15. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, State energy code, and the regulations of the governing utility.



ATTACHMENT B

NDED HTF Rehab Standards: Uniform Physical Condition Standards for Single Family and Multifamily Housing Rehabilitation

<i>NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.</i>		
<b>Requirements for Site</b>		
<b>Inspectable Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
Fencing and Gates	Damaged/Falling/Leaning	Fence or gate is missing or damaged to the point it does not function as it should
	Holes	Hole in fence or gate is larger than 6 inches by 6 inches
	Missing Sections	An exterior fence, security fence or gate is missing a section which could threaten safety or security
Grounds	Erosion/Rutting Areas	Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable
	Overgrown/Penetrating Vegetation	Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable
	Ponding/Site Drainage	There is an accumulation of more than 5 inches deep and/or a large section of the grounds-more than 20%-is unusable for its intended purpose due to poor drainage or
Health & Safety	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Flammable Materials - Improperly	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
Hazards - Sharp Edges	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
	Mailboxes/Project Signs	Mailbox Missing/Damaged
Signs Damaged		The project sign is not legible or readable because of deterioration or damage
Parking	Cracks	Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard
	Ponding	3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe
	Potholes/Loose Material	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling
	Settlement/Heaving	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles
Play Areas and	Damaged/Broken Equipment	More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk
	Deteriorated Play Area Surface	More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk
Refuse Disposal	Broken/Damaged Enclosure-	A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse
Retaining Walls	Damaged/Falling/Leaning	A retaining wall is damaged and does not function as it should or is a safety risk
Storm Drainage	Damaged/Obstructed	The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended
Walkways/Steps	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
	Cracks/Settlement/Heaving	Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard
	Spalling/Exposed rebar	More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches--that affects traffic ability
<b>Requirements for</b>		
<b>Inspectable Item</b>	<b>Observable Deficiency</b>	
Doors	Damaged	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged Surface	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing
	Damaged/Missing	Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing
	Deteriorated/Missing Caulking/Seals	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Missing Door	Any exterior door that is missing
Fire Escapes	Blocked Egress/Ladders	Stored items or other barriers restrict or block people from exiting
	Visibly Missing Components	Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing
Foundations	Cracks/Gaps	Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water
	Spalling/Exposed Rebar	Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other
Health and Safety	Electrical Hazards - Exposed	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit

	Emergency Fire Exits - Missing Exit	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials -	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Lighting	Broken Fixtures/Bulbs	<i>10% or more of the lighting fixtures and bulbs surveyed are broken or missing</i>
Roofs	Damaged Soffits/Fascia	<i>Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible</i>
	Damaged Vents	<i>Vents are missing or so visibly damaged that further roof damage is possible</i>
	Damaged/Clogged Drains	<i>The drain is damaged or partially clogged with debris or the drain no longer functions</i>
	Damaged/Torn Membrane/Missing	<i>Balast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration</i>
	Missing/Damaged Components from	<i>Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior</i>
	Missing/Damaged Shingles	<i>Roofing shingles are missing or damaged enough to create a risk of water penetration</i>
	Ponding	<i>Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials</i>
Walls	Cracks/Gaps	<i>Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water</i>
	Damaged Chimneys	<i>Part or all of the chimney has visibly seperated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk</i>

	Missing/Damaged Caulking/Mortar	Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage
	Missing Pieces/Holes/Spalling	Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage
	Stained/Peeling/Needs Paint	More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and
Windows	Broken/Missing/Cracked Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural
	Damaged Sills/Frames/Lintels/Trim	Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
	Damaged/Missing Screens	Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length
	Missing/Deteriorated Caulking/Seals/Glazing	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Peeling/Needs Paint	More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water
	Security Bars Prevent Egress	The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks
<b>Requirements for Building</b>		
<b>Inspectable Item</b>		
<b>Observable Deficiency</b>		
Domestic Water	Leaking Central Water Supply	Leaking water from water supply line is observed
	Missing Pressure Relief Valve	There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion on Heater Chimney	The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the
	Water Supply Inoperable	There is no running water in any area of the building where there should be
Electrical System	Blocked Access/Improper Storage	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Missing Breakers/Fuses	Any open and/or exposed breaker port
	Missing Outlet Covers	A cover is missing, which results in exposed visible electrical connections
Elevators	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function
Fire Protection	Missing Sprinkler Head	Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped
	Missing/Damaged/Expired Extinguishers	There is missing, damaged or expired fire extinguisher in any area of the building where a fire extinguisher is required
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Elevator - Tripping	An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard
	Emergency Fire Exits - Emergency/Fire Exits	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered--more than the planned storage capacity or garbage has gathered in an area not sactioned for staging or storing
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping Hazards	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects--including roaches and ants--throughout a unit or room, food preparation or storage area or other area of building
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
HVAC	Boiler/Pump Leaks	Evidence of water or steam leaking in piping or pump packing
	Fuel Supply Leaks	Evidence of any amount of fuel leaking from the supply tank or piping
	General Rust/Corrosion	Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticable pit or crevice
	Misaligned Chimney/Ventilation System	A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	The roof exhaust fan unit does not function
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains
	Missing Drain/Cleanout/Manhole Covers	A protective cover is missing
<b>Requirements for Common</b>		
<b>Inspectable Item</b>		
<b>Observable Deficiency</b>		
Basement/Garage/Carport	Baluster/Side Railings - Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Closet/Utility/Mechanical	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
Community Room	Call for Aid - Inoperable	The system does not function as it should
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long

Kitchen	Ceiling - Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
Lobby	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate --not a sanitary surface to prepare food</i>
Office	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door</i>
Storage	Doors - Damaged/Missing Screen/Storm/Security	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not</i>
	Doors - Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Doors - Missing Door	<i>Any door that is missing that is required for the functional use of the space</i>
	Dryer Vent -Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
	Electrical - Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Electrical - Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Electrical - Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any</i>
	Electrical - Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Electrical - Missing Breakers	<i>Any open and/or exposed breaker port</i>
	Electrical - Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>

	Floors - Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Floors - Floor Covering Damaged	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Floors - Missing Floor/Tiles	More than 5% of the flooring or tile flooring is missing
	Floors - Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
	Floors - Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
	Floors - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square
	GFI - Inoperable	The GFI does not function
	Graffiti	Any graffiti on any exposed surface greater than 6 inches by 6 inches
	HVAC - Convection/Radiant Heat System Covers	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
	HVAC - General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice
	HVAC - Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	HVAC - Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	HVAC - Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
	Lavatory Sink - Damaged/Missing	Sink has extensive discoloration or cracks in over 50% of the basin or the the sink or associated hardware have failed or are missing and the sink can't be used
	Lighting - Missing/Damaged/Inoperable Fixture	More than 10% of the permanent lighting fixtures are missing or damaged so they do not function
	Mailbox - Missing/Damaged	The U.S Postal Service mailbox cannot be locked or is missing
	Outlets/Switches/Cover Plates - Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring
	Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood /Exhaust Fans - Excessive	A substantial accumulation of dirt or grease that threatens the free passage of air
	Range/Stove - Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not
	Refrigerator - Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its
	Restroom Cabinet - Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Shower/Tub - Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing
	Sink - Missing/Damaged	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Smoke Detector - Missing/Inoperable	Smoke detector is missing or does not function as it should
	Stairs - Broken/Damaged/Missing Steps	A step is missing or broken
	Stairs - Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
	Ventilation/Exhaust System - Inoperable	exhaust fan is not functioning or window designed for ventilation does not open
	Walls - Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
	Walls - Damaged	Any hole in wall greater than 2 inches by 2 inches
	Walls - Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
	Walls - Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
	Walls - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 foot square
	Water Closet/Toilet - Damaged/Clogged/Missing	Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed
	Windows - Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the
	Windows - Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Windows - Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Windows - Missing/Deteriorated	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Windows - Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
	Windows - Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury

	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Pools and Related	Fencing - Damaged/Not Intact	<i>Any damage that could compromise the integrity of the fence</i>
Trash Collection Areas	Chutes - Damaged/Missing Components	<i>Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other</i>
<b>Requirements for Unit</b>		
<b>Inspectable Item</b>	<b>Observable Deficiency</b>	
Bathroom	Bathroom Cabinets - Damaged/Missing	<i>Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Lavatory Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Plumbing - Clogged Drains, Faucets	<i>Drain or faucet is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Ventilation/Exhaust System – Absent/Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
Call-for-Aid (if	Inoperable	<i>The system does not function as it should</i>
Ceiling	Bulging/Buckling/Leaking	<i>Bulging, buckling or sagging ceiling or problem with alignment</i>
	Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long</i>
	Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>

Doors	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or</i>
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or</i>
	Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit</i>
Electrical System	Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
Floors	Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floor Covering Damage	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.</i>
	Missing Flooring Tiles	<i>Any flooring or tile flooring that is missing</i>
	Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square</i>
Health & Safety	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>

	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Hot Water Heater	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Inoperable Unit/Components	<i>Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly</i>
	Leaking Valves/Tanks/Pipes	<i>There is evidence of active water leaks from hot water heater or related components</i>
	Pressure Relief Valve Missing	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
HVAC System	Convection/Radiant Heat System Covers	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>
	Inoperable	<i>HVAC does not function. It does not provide the heating and coolingit should. The system does not respond when the controls are engaged</i>
	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Noisy/Vibrating/Leaking	<i>The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>
Kitchen	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate -- not a sanitary surface to prepare food</i>
	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood/Exhaust Fans - Excessive	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not</i>
	Refrigerator-Missing/Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its</i>
	Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
Laundry Area	Dryer Vent - Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
Lighting	Missing/Inoperable Fixture	<i>A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room</i>
Outlets/Switches	Missing	<i>An outlet or switch is missing</i>
	Missing/Broken Cover Plates	<i>An outlet or switch has a broken cover plate over a junction box or the cover plate is missing</i>
Patio/Porch/Balcony	Baluster/Side Railings Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
Smoke Detector	Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
Stairs	Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
Walls	Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
	Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square</i>
Windows	Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked pains of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the</i>
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
	Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>

**ATTACHMENT C**  
**NDED MINIMUM REHABILITATION STANDARDS**  
**FOR SINGLE-FAMILY AND MULTI-FAMILY REHABILITATION**

[NOTE: The below mentioned rehabilitation standards, as adopted by the Department, may be used for HTF projects, as applicable, and are incorporated by reference into the Nebraska DED HTF Rehabilitation Standards. Any discrepancy between Nebraska’s HTF Rehabilitation Standards and the general NDED Rehabilitation Standards, the Nebraska HTF standards will preempt].

**A. MINIMUM STRUCTURAL STANDARDS**

1. SIDEWALKS, STAIRS, DRIVEWAYS, PARKING LOTS, ROADS – All sidewalks, driveways, parking lots, roads, stairs and similar areas shall be free of hazardous conditions and in proper repair.

Other Inspectable Items: Cracks  
Settlement / Heaving  
Spalling / Exposed Rebar  
Potholes / Loose Material  
Hand-railing-Broken / Missing

2. PREMISE IDENTIFICATION NUMBERS – Address numbers easily visible and legible from the street or road shall be installed. Numbers shall contrast in color with their background and be at least 4 inches high with a minimum stroke width of one half inch.

Other Inspectable Items: Mailbox – Missing / Damaged  
Signs / Numbers – Missing / Damaged

3. FOUNDATIONS, EXTERIOR WALLS, ROOFS, SOFFITS AND FASCIA – Every foundation, exterior wall, roof, soffit, and fascia shall be structurally sound, weather-tight, and rodent/insect-proof.

All exterior surface materials shall be protected by lead-free paint or other protective coating in accordance with acceptable standards. The exception is all types of exterior materials acceptable to weatherizing without deterioration.

Other Inspectable Items: Foundations:  
Cracks / Gaps  
Spalling / Exposed Rebar

Walls:  
Cracks / Gaps  
Damaged Chimneys  
Missing / Damaged Caulking / Mortar  
Missing Pieces / Holes / Spalling  
Stained / Peeling / Needs Paint

Roofs:  
Damaged Soffits / Fascia  
Damaged Vents  
Damaged / Clogged Drains



Damaged / Torn Membrane / Missing Ballast  
Missing / Damaged Components from Downspout / Gutter  
Missing / Damaged Shingles  
Ponding

Roof Exhaust System:

Roof Exhaust Fan(s) Inoperable

Windows:

Broken / Missing / Cracked Panes  
Damaged Sills / Frames / Lintels / Trim  
Damaged / Missing Screens  
Missing / Deteriorated Caulking / Seals / Glazing Compound  
Peeling / Needs Paint  
Security Bars Prevent Egress

Lighting:

Broken Fixtures / Bulbs

4. INTERIOR WALLS, FLOORS, CEILINGS, DOORS, AND WINDOWS – Every interior partition, wall floor, ceiling, door and window shall be structurally sound.

Holes in walls should be re-plastered before new paint is applied.

All interior doors shall be capable of affording privacy for which they were intended.

Other Inspectable Items: Walls and Ceiling:

Bulging / Buckling  
Holes / Missing Tiles / Panels / Cracks  
Peeling / Needs Paint  
Water Stains / Water Damage / Mold / Mildew  
Damaged / Deteriorated Trim

Floors:

Bulging/Buckling  
Floor Covering Damage  
Missing Flooring Tiles  
Peeling / Needs Paint  
Rot / Deteriorated Subfloor  
Water Stains / Water Damage / Mold / Mildew

Doors:

Damaged Frames / Threshold / Lintels / Trim  
Damaged Hardware / Locks  
Damaged Surface-Holes / Paint / Rusting /Glass  
Missing Door

Windows:

Cracked / Broken / Missing Panes  
Damaged / Rotting Window Sill  
Missing / Deteriorated Caulking / Seals / Glazing Compound  
Inoperable / Not Lockable  
Peeling / Needs Paint

5. GRADING AND RAINWATER DRAINAGE FROM ROOF – All rainwater shall be drained and conveyed from every roof so as not to cause dampness within the dwelling. All rainwater drainage devices, such as gutters, downspouts, leaders and splashblocks shall be in safe working order. Ground areas around the habitable unit shall be sloped or drain away from foundation walls to prevent standing water.

Other Inspectable Items: Grounds:

Erosion / Rutting Areas  
Overgrown / Penetrating Vegetation  
Ponding / Site Drainage (affecting unit)

Storm Drainage:

Damaged / Obstructed

6. WINDOWS, EXTERIOR DOORS AND BASEMENT OR CELLAR HATCHWAYS – Every front, rear, side and basement or cellar door shall be no less than 2'4" in width and no less than 6' 6" in height. In existing structures, if replacement to meet these requirements would be impossible or cost-prohibitive, said requirement may be waived by the grantee.

Every window, exterior door and basement or cellar hatchway shall be substantially tight and rodent-proof. In addition, the following requirements shall be met:

- a. All exterior doors to the outside or to a common public hall shall be equipped with adequate security locks. Means of egress door locks shall be easily opened from the egress side without a key or special knowledge. All windows accessible from ground level without the aid of mechanical devices shall have a security device. Emergency escape windows shall be openable from the inside without the use of a key, code or tool;
- b. Every window sash shall be fully equipped with windowpane glazing materials free of cracks or holes, and all panes shall be secured with retaining devices or an adequate amount of putty. Said putty shall not be cracked, broken or missing;
- c. Every window sash shall be in good condition and fit tightly within its frame;
- d. Every window, other than a fixed window, shall be easily opened and held in position by window hardware;
- e. Every exterior and interior door, door hinge, door latch, and/or lock shall be in good working condition;
- f. Every exterior and interior door, when closed, shall fit well within its frame;
- g. Every window, door and frame shall be constructed in relation to the adjacent wall construction, to exclude rain and wind as completely as possible from entering the dwelling or structure;

Other Inspectable Items: Doors:

Damaged Frames / Threshold / Lintels / Trim  
Damaged Hardware / Locks  
Damaged / Missing Screen / Storm / Security Door  
Damaged Surface – Holes / Paint / Rusting / Glass  
Deteriorated / Missing Caulking / Seals (Entry Only)  
Missing Door

7. STAIRWAYS, DECKS, BALCONIES AND PORCHES – Every interior and exterior stairway, porch, deck, balcony and appurtenance thereto, including hand and guard rails, shall be constructed to be sound and safe to use and capable of supporting the load that normal use may place upon it.

Other Inspectable Items: Stairs:

Broken / Damaged / Missing Steps  
Broken / Missing Hand Railing

Patio, Porch, Deck, Balcony:

Baluster / Side Railings Damaged

8. SUPPLIED PLUMBING FIXTURES – Every plumbing fixture and water and waste pipe shall be properly installed in safe, sanitary working condition, free from leaks, defects, and obstructions.
9. BATHROOM, TOILET ROOM, KITCHEN AND UTILITY ROOM FLOORS – Every bathroom, toilet room, kitchen, and utility room floor surface shall be constructed to be impervious to water and to permit such floors to be easily kept clean and sanitary.

Indoor-outdoor type carpeting, when properly installed, shall be allowed in bathrooms, toilet rooms, kitchens and utility rooms except when in conflict with required interim controls or standard treatments required to comply with the lead-based paint regulation.

10. CHIMNEYS AND SMOKE PIPES – Every chimney and smoke pipe shall be adequately supported, structurally sound, and clean.
11. TREES AND VEGETATION – Trees and vegetation endangering the unit and/or its occupants shall be eliminated.
12. INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS – All rehabilitation work must meet or exceed the requirements of the International Residential Code as promulgated by the International Code Council in its current edition or as adopted in ordinance by the local jurisdiction.
- a. Work must comply with the permitting and inspection requirements of the local jurisdiction.
  - b. In the absence of local permitting and inspection services, the local recipient program shall engage qualified inspectors and document code inspection and compliance.

13. LEAD-BASED PAINT – As required under 24 CFR Part 35, the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, all assisted dwelling units constructed before January 1, 1978, will be evaluated for lead-based paint hazards or presumed to have lead-based paint present throughout the unit when paint is disturbed.
- a. Evaluation will be done by a qualified, certified or licensed person as required under the regulation.
  - b. All lead-based paint hazards will be identified and reduced or eliminated through paint stabilization, interim controls or abatement with work being done by supervised, trained, qualified, certified or licensed persons as required under the regulation.
  - c. Safe work practices will be followed at all times.
  - d. Occupants shall be protected or temporarily relocated as required by the regulation. With some exceptions, as listed at 24 CFR 35.1345, occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead hazards.
  - e. The dwelling unit and worksite shall be secured. The worksite shall be prepared and warning signs shall be posted as required by the regulation.
  - f. Clearance examinations will be performed by qualified personnel and final clearance shall be achieved as required by the regulations.

14. ENERGY CONSERVATION –

- a. Equipment, appliances, windows, doors and appurtenances replaced during rehabilitation shall be replaced with Energy Star qualified products.
- b. If feasible, attics should be insulated to R38 and walls to a minimum of R11.
- c. Replacement heating and/or cooling systems shall be properly sized as evidenced by completion of ACCA/ANSI Manual J<sup>®</sup> or an equivalent sizing calculation tool.
- d. All accessible air ducts shall be tightly sealed.
- e. Heating or cooling supply running through unconditioned space should be avoided or rerouted, but when present and accessible, shall be insulated.

15. INDOOR AIR QUALITY – The scope and conduct of rehabilitation of each dwelling unit shall take into consideration the improvement and maintenance of satisfactory and healthy air quality within the unit.
  - a. A carbon monoxide detector installed per manufacturers’ recommendations shall be present in each unit, and receive primary power from the building wiring or battery. If the house is all electric a carbon monoxide detector is not required.
  - b. Devices and appurtenances identified to contain mercury shall be removed or replaced excluding CFL bulbs.
  - c. Materials and methods used in carrying out rehabilitation, shall to the extent feasible, minimize and prevent dust, out gassing, volatile organic compounds and other contaminants within the dwelling unit.

Other Inspectable Items: Health and Safety:

- Air Quality - Mold and/or Mildew Observed
- Sewer Odor Detected
- Propane/Natural Gas/Methane Gas Detected

16. UNIVERSAL DESIGN AND ACCESSIBILITY – Rehabilitation of each unit shall be carried out with consideration for the needs of its occupants and to the maximum practical extent in accordance with the principles of universal design. For guidance in implementing universal design features, visit [www.design.ncsu.edu/cud](http://www.design.ncsu.edu/cud).
  - a. The housing must meet the accessibility requirement of 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. “Covered multi-family dwelling,” as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

**B. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES**

1. WATER SUPPLY – All fixture water supplies shall be properly connected to public or private water system. All water supply inlet orifices (mouth of an opening from any pipe or faucet supplying water) shall have an air gap (The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the floor level rim of the receptacle.) or shall be protected by vacuum breakers (also known as backflow preventers).
2. KITCHENS – Every dwelling shall have a kitchen room or kitchenette equipped with a kitchen sink, properly connected to both hot and cold running water lines, under pressure, and in working order.

Other Inspectable Items:

- Cabinets – Missing / Damaged
- Countertops - Missing / Damaged
- Dishwasher / Garbage Disposal – Leaking / Inoperable
- Plumbing - Clogged Drains
- Plumbing - Leaking Faucet / Pipes
- Range Hood / Exhaust Fans - Excessive Grease / Inoperable
- Range / Stove / Refrigerator- Missing / Damaged / Inoperable
- Sink - Damaged / Missing

3. TOILET ROOM REQUIRED - Every dwelling unit, except as otherwise permitted for rooming houses, shall contain a room that is equipped with a flush water closet and properly installed lavatory. Said lavatory shall be properly connected to both hot and cold running water, under pressure, and shall be in working order. Fixtures shall be properly installed, free of hazards, leaks and defects, and in functional and sanitary order.

Said flush water closet shall be properly connected to the water supply, under pressure, and shall be in working order.

Other Inspectable Items: Bathroom:

Bathroom Cabinets - Damaged / Missing  
Lavatory Sink - Damaged / Missing  
Plumbing - Clogged Drains  
Leaking Faucet / Pipes  
Water Closet / Toilet - Damaged / Clogged / Missing  
Ventilation / Exhaust System – Absent / Inoperable  
Call-for-Aid Inoperable (where applicable)

4. PRIVACY IN ROOM CONTAINING TOILET AND BATH – Every toilet and every bath shall be contained in a room or within separate rooms which affords privacy to a person within said room or rooms. Said rooms shall not be the only passageway to the exterior.

Toilets and bathrooms shall have doors with a privacy type lock and such doors, locks and hardware shall be in working order.

5. SHARED TOILET FACILITIES – Shared toilet rooms shall be equipped with a flush water closet and lavatory basin, and shall be connected as provided in Section 2 above. In rooming house type structures, at least 1 toilet and 1 lavatory basin, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof residing within a rooming house, including members of the operator’s family whenever they share the use of said facilities, provided that in rooming houses where rooms are let only to males, flush urinals may be substituted for not more than ½ of the required number of toilets.
6. BATH REQUIRED – Every dwelling unit shall contain a bathtub and/or shower. Fixtures shall be properly installed, free of hazards, leaks and defects, and shall be in functional and sanitary order.

Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be so located as to make possible their submergence in any contaminated or polluted liquid or substance.

Said bathtub and/or shower may be in the same room as the flush water closet and lavatory, or said bathtub and/or shower may be in a separate room. In all cases, these facilities shall be properly connected to both hot and cold running water lines, under pressure, and shall be in working order.

Other Inspectable Items: Shower / Tub - Damaged/Missing

7. LOCATION OF COMMUNAL TOILETS AND BATHS – Every communal bath required to be provided in accordance with other provisions, shall be located within a room or rooms accessible to the occupants of each dwelling unit sharing such facilities, without going through a dwelling unit of another occupant and without going outside of the dwelling.

In rooming houses, said room or rooms shall be located on the same floor of the dwelling as, or on the floor immediately above or below, the dwelling unit whose occupants share the use of such facilities.

8. HOT AND COLD WATER LINES TO BATH AND KITCHEN – Every dwelling shall have supplied water-heating facilities which are properly installed; in working condition and free of leaks; properly connected to hot water lines required; and are capable of supplying hot or tempered water at not less than 110°F to be drawn for every bath, as well as general usage.

Hot water storage associated with water heating facilities shall not be less than the following minimum capacities:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| a. 1 dwelling unit          | 30 gallons                            |
| b. 2 dwelling units         | 40 gallons                            |
| c. 3 or more dwelling units | 50 gallons or more and rooming houses |

Sizes and/or number of water heaters are to be based upon the number of units served. No water heaters shall be allowed in bathrooms or bedrooms. All hot water heaters shall be properly vented and sealed and equipped with a pressure relief valve and drip leg a maximum of 6" above the floor.

The local rehabilitation division and/or building inspection division may adjust the above-required capacities upward or downward based on the type and recovery time of the hot water system.

Other Inspectable Items: Hot Water Heater:

Misaligned Chimney / Ventilation System  
Inoperable Unit / Components  
Leaking Valves / Tanks / Pipes  
Pressure Relief Valve Missing  
Rust / Corrosion

9. CONNECTION OF SANITARY FACILITIES TO SEWAGE SYSTEM – Every kitchen sink, toilet, lavatory basin and bathtub/shower shall be in working condition and properly connected to an approved public or private sewage system.

All sewers and vents shall function properly and be free of leaks and blockages.

Other Inspectable Items: Sanitary System:

Broken / Leaking / Clogged Pipes or Drains  
Missing Drain / Cleanout / Manhole Covers

10. EXITS – Every exit from every dwelling and/or dwelling unit shall comply with the following requirements:
- a. It shall be functional;
  - b. It shall be unobstructed;
  - c. All stairways and steps of 4 or more risers shall have at least 1 handrail, and all stairways and steps that are 5 feet or more in width or open on both sides shall have a handrail on each side where possible;
  - d. Every dwelling unit shall have 2 independent ways of egress;
  - e. All handrails shall be not less than 30” or more than 42” vertically above the nose of the stair treads and not less than 36” above the stairway platform;
  - f. All balconies and platforms that are 30” or more above grade, shall have protective guards not less than 30” in height above the balcony or platform level;
  - g. All multiple dwellings (1 & 2 family residences exempted) shall have a second exit stairway or approved fire escape available to all occupants of units located on second or higher stories;
  - h. All stairs and steps shall have a riser height of no more than 8” and a tread depth of no less than 9”. This requirement may be waived on the programmatic level if in an existing structure, it would be impossible or cost prohibitive to meet this requirement. In such cases, new stairs could be put in having the same rise and run as the old;
  - i. In basement units where one means of an exit shall be a window, it shall comply with the International Residential Code, Section 310 Emergency Escape and Rescue Openings.
11. FIRE PROTECTION AND SMOKE ALARMS – All fire protection systems and devices shall be in operable condition. When a dwelling is occupied by any hearing impaired person, smoke alarms shall have an alarm system designed for hearing impaired persons in accordance with NFPA 74 (or successor standards).

Smoke alarms shall be installed:

- On each story, including basement and cellar (Alarms are not required in unfinished attics and crawl spaces)
- Outside of each bedroom
- In each bedroom

Other Inspectable Items: Fire Protection:

Missing Sprinkler Head (where applicable)  
Missing / Damaged / Expired Extinguishers (where applicable)



**C. MINIMUM STANDARDS FOR LIGHT, VENTILATION AND HEATING**

1. REQUIRED WINDOW AREA – Every habitable room, provided such rooms are adequately lighted, shall have at least one open air space. The minimum total window area, measured between stops, for every habitable room shall be as follows:
  - a. 1/12 of the floor area if two or more separate windows exist or
  - b. 1/10 of the floor area if only one window exists;
  - c. A minimum of 12 square feet of window area is required in habitable rooms other than kitchens;
  - d. A kitchen may pass without a window area, provided there is a mechanical means of ventilation in working order.

Whenever the only window in a room is a skylight type window, the total window area of such skylight shall be equal to at least 15% of the total floor area of such room. Skylight type windows, if less than 15% of the total floor area shall be increased to 15% of the total floor area, unless another window is to be installed to provide adequate light and ventilation.

2. ADEQUATE VENTILATION REQUIRED – Every habitable room shall have at least one window or skylight which can easily be opened, or other such device as will adequately ventilate the room.
3. LIGHT AND VENTILATION REQUIREMENTS FOR BATHROOMS, TOILET ROOMS AND KITCHENS – Every bathroom, toilet room, and kitchen shall comply with the light and ventilation requirements for habitable rooms contained above, except that no window shall be required in adequately ventilated bathrooms, toilet rooms, or kitchens equipped with a ventilation system that filters or exhausts to the exterior.  
Other Inspectable Items: Ventilation / Exhaust System – Inoperable (if applicable)
4. ALTERNATIVE LIGHT AND VENTILATION – Artificial light or mechanical ventilation complying with the International Building Code shall be permitted.
5. CLOTHES DRYER VENTING – Clothes dryer exhaust vent shall be a single purpose vent in compliance with the manufacturer’s instructions and vent to the exterior.
6. ELECTRIC OUTLETS AND SERVICE REQUIRED – Where there is suitable electricity available from supply lines no more than 300 feet away from a dwelling, including all existing dwellings now supplied with electrical services, every habitable room within such dwelling shall contain a minimum of two separate and remote wall type electric convenience outlets. Habitable rooms measuring more than 120 square feet shall contain a minimum of three separate and remote wall type electric convenience outlets. Temporary wiring, extension, or zip cords shall not be used as permanent wiring.

Every habitable room shall have at least one ceiling or wall type electric light fixture, controlled by a wall switch, or a wall type grounded electric convenience outlet controlled by a remote switch.

Every toilet room, bathroom, laundry room, furnace room, and hallway (hallway where applicable) shall contain at least 1 supplied ceiling or wall type electric light fixture, controlled by a wall switch, and at least one wall type grounded electric convenience outlet. Convenience outlets used in bathrooms shall be the GFI type.

Each individual kitchen based on its size and layout shall be wired to meet the requirements of the National Electric Code (N.E.C.).

Receptacle convenience outlets in or on open porches, breezeways or garages shall be of the GFI type with a weather proof receptacle box.

All wall and/or ceiling type lighting fixtures shall be controlled by a wall switch, except porcelain type fixtures used in cellars and/or attics, which may be controlled with a proper pull chain.

All electrical equipment, appliances and wiring shall be properly installed and in safe condition.

All broken and/or missing switch and receptacle plates shall be replaced.

Minimum electrical service for each dwelling and/or dwelling unit's circuit breaker box shall be by a three wire 120/240 volt single phase service rated no less than 100 amps, or as adjusted for size and usage of equipment and appliances in accordance with the ICC Electrical Code and approved, in writing, by the electrical inspector of the local jurisdiction or program.

Other Inspectable Items: Electrical System:

- Blocked Access to Electrical Panel / Improper Storage
- Burnt Breakers
- Evidence of Leaks / Corrosion
- Frayed Wiring
- GFI - Inoperable
- Missing Breakers / Fuses
- Missing / Broken Cover Plates
- Lighting - Missing / Inoperable Fixtures

Emergency Power:

- Auxiliary Lighting Inoperable (if applicable)

7. HAZARDOUS ELECTRICAL CONDITIONS – Where any condition of the electrical system in the dwelling or structure is identified as, and constitutes a hazard, the hazardous conditions shall be corrected.
8. HEATING FACILITIES – Heating facilities shall be properly installed, be in working condition and be capable of adequately heating all habitable rooms, and toilet rooms contained therein, or intended for use by the occupants capable of maintaining a room temperature of 68°F (20°C) when the outdoor temperature is within the winter outdoor design temperature for the locality as cited in Appendix D of the International Plumbing Code. Space heaters shall not substitute for a central heating unit.

Every installed central heating system shall comply with the following requirements:

- a. The central heating unit shall be safe and in good working condition;
- b. Every heat duct, steam pipe and hot water pipe shall be free of leaks and obstructions and deliver an adequate amount of heat where intended;
- c. Every seal between any and all sections of a hot air furnace shall be air-tight so noxious gases and fumes will not escape into the heat ducts;

- d. Required clearance from combustible materials shall be maintained;
- e. All chimneys and vents shall have a flue liner intact and in safe working condition.

Every existing space heater shall comply with the following requirements:

- a. No space heater burning solid, liquid or gaseous fuels shall be of a portable type;
- b. Every space heater burning solid, liquid or gaseous fuels shall be properly vented to a chimney or duct leading to outdoor space and be installed to provide proper draft;
- c. Every fuel burning space heater shall have a fire-resistant panel between it and the floor or floor covering as required by the unit's manufacturer;
- d. Whenever a space heater is located within 2 feet of a wall, said wall shall be protected with insulation sufficient to prevent overheating of the wall as required by the unit's manufacturer; ;
- e. Every space heater smoke pipe shall be equipped with approved thimbles or guards, properly constructed of non-flammable material, at the point where the pipe goes through any wall, ceiling or partition;
- f. Each dwelling and/or dwelling unit shall be supplied with its own heating systems. Local option may provide for one central forced air system to serve no more than two separate dwelling units.

Other Inspectable Items: HVAC System:

- Inoperable
- Misaligned Chimney / Ventilation System
- Noisy / Vibrating / Leaking
- Rust / Corrosion
- Boiler / Pump Leaks (where applicable)
- Fuel Supply Leaks (where applicable)
- Misaligned Chimney / Ventilation System
- Convection / Radiant Heat System Covers – Missing / Damaged

9. LIGHTING OF PUBLIC HALLS AND STAIRWAYS –

- a. Public halls and stairways in every dwelling containing 2 to 4 dwelling units shall be provided with convenient wall-mounted light switches controlling an adequate lighting system that will provide at least 2 foot candles of illumination on all parts thereof and be turned on when needed. An emergency circuit is not required for this lighting;
- b. Public halls and stairways in every dwelling containing 5 or more dwelling units shall be lighted at all times with an artificial lighting system. Said system shall provide at least 2 foot candles of illumination on all parts thereof at all times by means of properly located electric light fixtures, provided that such artificial lighting may be omitted from sunrise to sunset where an adequate natural lighting system is provided;
- c. Wherever the occupancy of the building exceeds 100 persons, the artificial lighting system as required herein, shall be on an emergency circuit;

d. All basements and cellars shall be provided with a lighting system that permits safe occupancy and use of the space and contained equipment as intended, and which may be turned on when needed;

e. The required intensity of illumination shall apply to both natural and artificial lighting.

10. SCREENS REQUIRED – For protection against flies, mosquitoes and other insects, every door opening directly from a dwelling unit or rooming unit, to the outdoor space where feasible, shall be supplied with a screen covering at least 50% of the window area of the door, and said door shall be equipped with a self-closing device.

Every window or other opening to outdoor space used or intended to be used for ventilation shall likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens shall be no less than 16 mesh per inch, properly installed, and repaired when necessary to prevent the entrance of flies, mosquitoes and other insects.

Half-screens on windows may be allowed, provided they are properly installed and are bug and insect proof.

11. SCREENS FOR BASEMENT AND CELLAR WINDOWS – Every dwelling unit having operable basement or cellar windows shall be screened to prevent the entry of insects and rodents.

12. EXISTING HEATING TO DWELLINGS OR PARTS THEREOF – Every dwelling owner or operator, who rents, leases or lets for human habitation any unit contained within such dwelling, on terms either expressed or implied, shall supply or furnish heat to the occupants.

***Whenever a dwelling is heated by means of a furnace, boiler or other heating apparatus under the control of the owner or operator, in the absence of a written contract or agreement to the contrary, said owner and/or operator shall be deemed to have contracted, undertaken, or bound to furnish heat in accordance with the provisions of this section to every unit that contains radiators, furnace heat duct outlets, or other heating apparatus outlets, and to every communal bathroom and communal toilet room located within such unit.***

- a. Every central heating unit, space heater, water heater and cooking appliance shall be located and installed in a safe working manner to protect against involvement of egress facilities or egress routes in the event of uncontrolled fires in the structure;
- b. Every fuel burning heating unit or water heater shall be effectively vented in a safe manner to a chimney or duct leading to the exterior of the building. The chimney duct and vents shall be designed to assure proper draft, shall be adequately supported, and shall be clean;
- c. No fuel-burning furnace shall be located in any sleeping room or bathroom unless provided with adequate ducting for air supply from the exterior, and the combustion chamber for such heating unit is sealed from the room in an airtight manner. Water heaters are prohibited in bathrooms and sleeping rooms.
- d. Every steam or hot water boiler and every water heater shall be protected against overheating by appropriate temperature and pressure limit controls;

- e. Every gaseous or liquid fuel burning heating unit and water heater shall be equipped with electronic ignition or with a pilot light and an automatic control to interrupt the flow of fuel to the unit in the event of failure of the ignition device. All such heating units with plenum have a limit control to prevent overheating.

**D. MINIMUM SPACE, USE AND LOCATION REQUIREMENTS**

1. CEILING HEIGHT – Wherever possible, no habitable room in a dwelling or dwelling unit shall have a ceiling height of less than 7' 6". At least 1/2 of the floor area of every habitable room located above the first floor shall have a ceiling height of 7' 6", and the floor area of that part of any room where the ceiling height is less than 5' shall be considered as part of the floor area in computing the total floor area of the room for the purpose of determining maximum floor area.
2. ROOM WIDTH – All rooms, except kitchens and/or kitchenettes and baths, shall have a minimum width of 7'. Kitchens shall have a clear passage dimension of no less than 3' between walls, appliances and cabinets.
3. CELLAR SPACE NOT HABITABLE – No cellar space shall be converted or rehabilitated as habitable room or dwelling unit.
4. REQUIREMENTS FOR HABITABLE BASEMENT SPACE – No basement space shall be used as a habitable room or Dwelling unit unless all of the following requirements are met:
  - a. Such required minimum window area is located entirely above the grade of ground adjoining such window area, or an adequate window well of sufficient size as to allow escape of inhabitants residing within such basement apartment, has been constructed;
  - b. Such basement dwelling unit or rooming unit shall be entirely sealed off from the central heating plant with a one hour fire separation. To assist grantees in evaluating existing building components, HUD has published the "Guideline on Fire Ratings of Archaic Materials and Assemblies", February 2000, available at <http://www.huduser.org/publications/destech/fire.html>;
  - c. Such basement dwelling unit or rooming unit provides two means of exit, with at least one means of opening directly to the outside;
5. MINIMUM STORAGE AREAS – Each dwelling unit shall have at least one closet with a minimum of 6 square feet of floor area and a minimum height of 6', located within the dwelling unit. Dwelling units with 2 or more bedrooms shall have a storage floor area of at least 4 square feet per bedroom. This storage requirement does not necessarily have to be located in the bedrooms.

**E. MINIMUM STANDARDS FOR GARAGES, FENCES AND PREMISES**

1. PROTECTION OF EXTERIOR WOOD SURFACES – All exterior wood surfaces shall be properly protected from the elements against decay and rot by lead-free paint, or other approved protective coating.
2. FENCES – Every residential fence shall be in a state of maintenance and repair or shall be removed. Wood materials that are not decay resistant shall be protected against decay by use of lead-free paint or by other preservative material.

If a fence is removed and replaced, said installation shall conform with all local requirements.

Other Inspectable Items: Fencing and Gates:  
Damaged / Failing / Leaning  
Holes  
Missing Sections

3. CONDITION OF PREMISES – All areas and all parts of the premises upon which any dwelling or dwelling units are located and all areas adjacent thereto and a part of the premises shall be in a clean and sanitary condition. This shall include, but not be limited to, removal of abandoned and junked automobiles, automobile bodies, chassis, parts, and trailers; inoperable machines and appliances; lumber piles and building materials not used in actual construction; tin cans, broken glass, broken furniture, boxes, crates, and other debris, rubbish, junk and garbage.

Other Inspectable Items: Retaining Walls:  
Damaged / Falling / Leaning  
Health and Safety:  
Air Quality – Sewer Odor Detected  
Propane / Natural Gas / Methane Gas Detected  
Electrical Hazards - Exposed Wires / Open Panels  
Water Leaks on / near Electrical Equipment  
Flammable Materials - Improperly Stored  
Garbage and Debris - Outdoors  
Hazards – Other / Sharp Edges / Tripping  
Play Areas and Equipment:  
Damaged/Broken Equipment  
Deteriorated Play Area Surface  
Refuse Disposal:  
Broken/Damaged Enclosure-Inadequate Outside Storage Space  
Retaining Walls:  
Damaged/Falling/Leaning  
Fire Escapes:  
Blocked Egress / Ladders  
Visibly Missing Components  
Emergency Fire Exits:  
Emergency / Fire Exits – Blocked / Unusable  
Missing Exit Signs

4. WATER SUPPLY - CONNECT TO WATER MAIN – Every owner of a dwelling situated on property that abuts any street or alley in which a water main is laid, shall be connected to such main to provide water service.

Other Inspectable Items: Domestic Water:  
Leaking Central Water Supply  
Missing Pressure Relief Valve  
Rust / Corrosion or Heater Chimney  
Water Supply Inoperable

5. ABANDONED WELLS AND CISTERNS – Every owner of a dwelling that contains an abandoned well or cistern on the premises shall permanently seal or fill it in a proper manner.

6. INFESTATION AND EXTERMINATION – Structures shall be free from rodent and insect infestation.

Other Inspectable Items: Health and Safety:

Infestation – Insects / Rats / Mice / Vermin

7. REQUIREMENTS FOR COMMON AREAS IN MULTI-FAMILY HOUSING – Common Areas within multi-family housing shall also be inspected and held to the same structural and rehabilitation standards contained here within.

Other Inspectable Items: Basement / Garage / Carport:

Baluster / Side Railings – Damaged / Missing

Closet / Utility / Mechanical:

Cabinets – Missing / Damaged

Community Room:

Call-for-Aid – Inoperable

Kitchen / Laundry Room / Halls / Corridors / Stairs:

Ceiling – Holes / Missing Tiles / Panels / Cracks

Peeling / Needs Paint

Water Stains / Water Damage / Mold / Mildew

Laundry Dryer Vent – Missing / Damaged / Inoperable

Lobby:

Countertops – Missing / Damaged

Office:

Dishwasher / Garbage Disposal – Inoperable

Other Community Spaces / Restrooms / Patio / Porch / Balcony:

Doors – Damaged Frames / Threshold / Lintels / Trim

Damaged Hardware / Locks

Damaged Surface (Holes / Paint / Rust / Glass)

Storage:

Doors – Door, Screen, Storm-Security Door – Missing / Damaged  
Deteriorated / Missing Seals (Entry Only)

Electrical – Blocked Access to Electrical Panel

Burnt Breakers

Evidence of Leaks / Corrosion

Frayed Wiring

Missing Breakers / Covers

Hazards – Exposed Wires / Open Panels

Water Leaks on/near Electrical Equipment

Floors and Walls – Bulging / Buckling

Floor Covering Damaged / Missing Floor-Tiles

Peeling / Needs Paint

Rot / Deteriorated Subfloor  
Water Stains / Water Damage / Mold / Mildew  
Trim – Damaged / Missing

GFI – Inoperable

Graffiti

HVAC – Convection/Radiant Heat System Covers Missing/Damaged

General Rust / Corrosion

Inoperable

Misaligned Chimney / Ventilation System

Noisy / Vibrating / Leaking

Lavatory Sink – Damaged / Missing

Lighting – Missing / Damaged / Inoperable Fixture

Mailbox – Missing / Damaged

Outlets / Switches / Cover Plates – Missing / Broken

Pedestrian / Wheelchair Ramp

Plumbing – Clogged Drains

Leaking Faucet / Pipes

Range Hood / Exhaust Fans – Excessive Grease / Inoperable

Range / Stove / Refrigerator – Missing / Damaged / Inoperable

Restroom Cabinet / Sink / Shower-Tub – Damaged / Missing

Smoke Detector – Missing / Inoperable

Stairs – Missing / Damaged/ Broken Steps-Handrailing

Ventilation / Exhaust System – Inoperable

Water Closet / Toilet – Damaged / Clogged / Missing

Windows – Cracked / Broken / Missing Panes

Damaged Window Sill

Inoperable / Not Lockable

Missing / Deteriorated Caulking / Seals / Glazing

#### Health and Safety:

Air Quality – Mold / Mildew Observed

Propane / Natural Gas / Methane Gas Detected

Sewer Odor Detected

Emergency / Fire Exits – Blocked / Unusable

Missing Exit Signs

Flammable / Combustible Materials – Improperly Stored

Garbage and Debris – Indoors / Outdoors

Hazards – Other / Sharp Edges / Tripping

Infestation – Insects / Rats / Mice / Vermin

Pools and Related Structures – Fencing – Damaged / Not Intact

Trash Collection Areas – Chutes – Damaged / Missing Components



**F. FURTHER GUIDANCE TO MINIMUM REHABILITATION STANDARDS**

1. WORK WRITE-UP, COST ESTIMATES, CONSTRUCTION CONTRACTS AND CONSTRUCTION DOCUMENTS – Construction contracts, work write-ups, and construction documents must be in sufficient detail to establish the basis for uniform inspections of the housing to determine compliance with the minimum rehabilitation standards.
2. INSPECTIONS – Initial, progress and final inspections are required to be completed along with appropriate documentation of such in each property / project file. Progress and final inspections must be conducted to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.
3. HEALTH AND SAFETY – In housing that is occupied, any life-threatening deficiencies that are identified must be addressed immediately.
4. MAJOR SYSTEMS – Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the remaining useful life of these systems must be estimated based on age and condition, upon project completion of each major system. (For multi-family rental housing projects of 26 units or more, the remaining useful life of the major systems must be determined through a capital needs assessment of the project.) For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, there must be a replacement reserve established and monthly payments made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, each of the major systems must have a remaining useful life for a minimum of 5 years, upon project completion, or the major systems must be rehabilitated or replaced as part of the rehabilitation work.
5. CAPITAL NEEDS ASSESSMENT – For multi-family rental housing projects of 26 units or more, a capital needs assessment of the project is required to determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project.
6. DISASTER MITIGATION – Where relevant, it will be required that the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements, or such other requirements as HUD may establish.
7. BROADBAND – HUD includes internet connectivity in the regulatory definition of “utility connections.” All National Housing Trust Fund-assisted housing must meet the minimum property standards upon completion, so efforts to provide broadband internet access, where applicable, must be undertaken as part of the project.



# 2018

## NATIONAL HOUSING TRUST FUND (HTF) APPLICATION GUIDELINES

for  
Continuum of Care  
and Special Needs

Nebraska Department of Economic Development  
U.S. Department of Housing and Urban Development

**NEBRASKA**  
HOUSING AND COMMUNITY  
DEVELOPMENT

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# INTRODUCTION

## Introduction, Timeline, and Scoring Process Summary

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The National Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

The National Housing Trust Fund (HTF) was established under Title I of the Housing and Economic Recovery Act (HERA) of 2008, Section 1131 (Public Law 110-289). Section 1131 of HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) to add a new section 1337, entitled “Affordable Housing Allocation” and a new section 1338 entitled “Housing Trust Fund.”

The U.S. Department of Housing and Urban Development (HUD) published the proposed HTF formula rule (FR-5246-P-01) on December 4, 2009, and the proposed program rule (FR-5246-P-02) on October 29, 2010. On January 30, 2015, HUD published an interim program rule (FR-5246-I-03). The interim rule provides the guidelines for states to implement the HTF.

Funding for the HTF comes from an assessment on loans made by Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae). The amount available for allocation is the amount set aside by Fannie Mae and Freddie Mac for the HTF during their fiscal year (January 1-December 31). Allocations will be formula based, but statute requires that each state receive a minimum allocation of \$3 million. If additional funds are available after each state and the District of Columbia (DC) receives the minimum allocation, Puerto Rico and each insular area will receive an allocation. However, if HTF funds are insufficient to provide the minimum grant to each state and DC, HUD will publish a notice in the federal register for public comment, describing an alternative method for allocating grants. Any amounts that become available for reallocation (i.e. grant reductions, recaptured funds, etc.) shall be added to the amounts for formula allocation in the succeeding fiscal year.

HTF funds will be used for rental housing for extremely low income persons (at 30% of the Area Median Income). In accordance with 24 CFR 93, DED will allocate 10% of its grant (\$300,000) for program planning and administration expenses. The remainder of resources (\$2,700,000) will be utilized for new construction or rehabilitation of HTF units and for operating assistance or operating assistance reserves.

The Housing Trust Fund program is funded by the U.S. Housing and Urban Development (HUD) Housing Trust Fund. DED’s role in HTF projects is as an investor and a partner. As an investor, DED is seeking quality applications in order to select projects that will provide the best investments of State and federal resources to promote affordable housing. As a partner, DED is interested in providing input as early as possible in project design and working closely with the awarded applicants in order to address any obstacles encountered during project development and implementation.

In order to apply for DED funds it is important for applicants to review the 2018 Housing and Community Development Annual Action Plan (AAP), 2018 NAHTF Qualified Allocation Plan (QAP), and the HTF 2018 Application Guidelines. These are available on the Department’s website at: AAP, <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>; QAP, <https://opportunity.nebraska.gov/grow-your-community/reports-plans/>; and Application Guidelines, <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>.

**Note: All applications are prepared at the Applicant’s expense.**

## Timeline

### HTF Cycle Timeline

Date	Action	Location	Responsible Parties
6/5/2018	Application Guidelines are posted	<a href="https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/">https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/</a>	DED
5/4/2018 8/20/2018 10/31/2018 Ongoing	<b>Original, Signed Hardcopy of HTF Full Application must be mailed or delivered to the Nebraska State Office Bldg, 4<sup>th</sup> Floor.</b>  <b>Scanned Copy of Full Application must also be uploaded.</b>	Lincoln DED Office:  State Office Building Dept. of Economic Development 4 <sup>th</sup> Floor 301 Centennial Mall South Lincoln, NE  Upload to: <a href="https://negov.sharefile.com/r-r530cb53a0734bbe9">https://negov.sharefile.com/r-r530cb53a0734bbe9</a>	Applicant
TBD	Contract Review	TBD	DED, Applicant, and Preparer
TBD	Award Letters distributed		DED

## **Scoring Process Summary**

### **HTF Cycle**

During the HTF Cycle, applicants will be required to submit a HTF Application in order to apply for HTF funds.

At the conclusion of the HTF Cycle, the Department will score those HTF Applications for any application received by the required due date, meeting the threshold requirements.

Scoring Criteria for the HTF cycle is defined in Chapter 2 HTF Application, along with the Selection Criteria Matrix, which notes the Scoring Criteria and Total Possible Points for each application. All applications meeting HTF Applications threshold requirements will be scored by DED on a competitive basis. All exhibits can be found in Chapter 3.

The HTF Application Guidelines are for the Targeted Needs and Permanent Housing Set-Asides. There will be \$700,000 available in the Targeted Needs Set-Aside. The Permanent Housing Set-Aside for the Continuum of Care (CoC) will have \$1,500,000 available. The Lincoln CoC, Omaha CoC, and the Balance of State CoC will have \$500,000 each available for funding.

For information on how to apply for the Low Income Housing Tax Credit (LIHTC) 9% Set-Aside please refer to the Nebraska Investment Financing Authority (NIFA) website at: <http://www.nifa.org/res-dev/application>.

Once the review of the HTF Application threshold is completed and the applicant has met the threshold requirements, the HTF Application will be scored along with the other eligible applications. The top scoring applications from the HTF Cycle will be awarded and the Department will notify and schedule contract review with those applicants who have been preliminarily selected for funding. During the contract review, the applicants and the Department will clarify information in the application, and applicants may be required to submit items to DED by an agreed upon due date. If items requested during the contract review are not received by the Department by the agreed upon due date, the applicant will no longer be eligible to receive HTF funds.

**All ORIGINAL, SIGNED HARD-COPY OF THE HTF APPLICATION must be postmarked by, or delivered to the Nebraska State Office Building, 4<sup>th</sup> Floor, by 5:00 pm (CST) by the application due date for the HTF Cycle as noted the HTF Cycle Timeline. A scanned copy should be uploaded and received by DED by 5:00 pm (CST) by the same applicable application due date to <https://negov.sharefile.com/r-r530cb53a0734bbe9>.**

For specific questions regarding the HTF Application process, please contact the Housing Coordinator, Pamela Otto, by email at [pamela.otto@nebraska.gov](mailto:pamela.otto@nebraska.gov).

Individuals who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (711) INSTATE (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111. Additional information is at the Nebraska Relay website <http://www.nebraskarelay.com/>. Nebraska Relay offers Spanish relay service for our Spanish-speaking customers. Spanish-to-Spanish (711) or 1-888-272-5528/ Spanish-to-English (711) or 1-877-564-3503. Nebraska le ofrece el servicio de relevo a nuestros clientes en español. Los consumidores de TTY pueden escribir por máquina en español y las conversaciones serán retransmitidas en español y inglés.

# 2018

## NATIONAL HOUSING TRUST FUND (HTF) PROGRAM

### CHAPTER 2:

## Housing Trust Fund Application Application Forms, Instructions, and Application Guidelines

Program Year (July 1, 2018 through June 30, 2019)

**Nebraska Department of Economic Development**

*HUD's Housing Trust Fund*



# **Housing Trust Fund (HTF) Forms, Application Instructions, and Application**

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## **FORMS AND INSTRUCTIONS**

These Application Guidelines are for the Permanent Housing and Targeted Needs HTF activities. These Guidelines are designed for those applicants applying within these two HTF Cycles. These applications are due May 4, 2018.

The third set-aside for the HTF is the Low Income Housing Tax Credit (LIHTC) 9% Set-Aside. This cycle is completed through the Nebraska Investment Financing Authority (NIFA) Joint Low Income Housing Tax Credit (LIHTC)/HOME/HTF 9% Applications. For information on how to apply for the LIHTC 9% Set-Aside please refer to the Nebraska Investment Financing Authority (NIFA) website at: <http://www.nifa.org/res-dev/application>.

### **I. Eligibility**

#### **A. Eligible Applicants**

Eligible applicants are:

1. Local or regional non-profit 501(c)(3) or 501(c)(4) housing or related service organizations;
2. Public Housing Authorities (PHA) – ONLY eligible under HTF if the proposed project is part of HUD’s Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the Low Income Housing Tax Credit (LIHTC) Program—(see *Joint LIHTC/HOME/HTF 9% Applications with the Nebraska Investment Finance Authority*); and
3. State designated Community Housing Development Organizations (CHDO).

**The HTF consists of three set-asides for funding, which includes: Permanent Housing, Targeted Needs, and LIHTC 9%. These HTF rental applications will be scored in two separate pools of applications, which include Permanent Housing and Targeted Needs, during the HTF application process. All LIHTC 9% Applications will be scored in the designated pools through the Joint LIHTC/HOME/HTF Applications.** Any funds not allocated within any of the three set-asides, may be allocated to any of the three designated set-asides to fund projects.

#### **B. Eligible Activities**

HTF funds will be available for rental housing for extremely low-income (ELI) households. HTF activities include:

1. Acquisition and/or Rehabilitation of existing units (for the creation of additional rental units for ELI persons);
2. Rehabilitation of existing rental units;
3. Adaptive re-use of existing buildings;
4. New Construction;
5. Operating Cost Assistance (utilized with other rental housing activities [PHA not eligible]); and
6. Operating Cost Assistance Reserves (utilized with other rental housing activities [PHA not eligible]).

Priority will be given to projects creating new units.

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed or newly constructed with HTF funds and DED will award no more than one-third of the state’s annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit’s share of the monthly operating cost.



Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program.

### C. Ineligible Activities

Any activity not specifically authorized under Eligible Activities is ineligible to be carried out with HTF Funds. This section further identifies ineligible activities:

1. Furnishings and personal property not an integral structural fixture including the purchase of equipment, fixtures, and motor vehicles;
2. The following activities, if not directly related to eligible housing activities including, but not limited to: housing education, acquisition of property and easements, public facilities development or improvements, relocation, clearance, and demolition; or
3. Properties financed or properties that will be financed with Low-Income Housing Tax Credits are not eligible, with the exception of those projects funded through the LIHTC Cycle through NIFA. Projects that are seeking (but have not received) a Low-income Housing Tax Credit allocation may apply to Nebraska Investment Finance Authority (NIFA) in the NIFA/DED Annual LIHTC set-aside Application Cycle.

### D. Eligible Costs

1. **New Construction:** HTF funds may be used for new construction of housing. Including the costs to construct or rehabilitate laundry and community facilities that are located with the same building as the housing and which are for the use of the project residents and their guests. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.
2. **Rehabilitation:** This includes the alteration, improvement, or modification of an existing structure. Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure. Including the costs to construct or rehabilitate laundry and community facilities that are located with the same building as the housing and which are for the use of the project residents and their guests. Conversion, a type of Rehabilitation, is changing the use of an existing structure to one of affordable residential housing. Units cannot be added beyond the building envelope.
3. **Reconstruction:** This refers to the rebuilding, on the same lot, of housing standing on a site at the time of project commitment, except that housing that was destroyed may be rebuilt on the same lot if HTF funds are committed within 12 months of the date of destruction. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is new construction for purposes of this part.
4. **Acquisition with Rehabilitation:** Funds may be used to acquire a vacant building or building not currently being utilized for rental housing and adapt the building to residential multi-family housing. Acquisition of an existing rental, including affordable rental property, is also eligible. The acquisition purchase price must be less than or equal to the value identified in an independent appraisal.
5. **Demolition:** Must be undertaken only with respect to a particular housing project intended to provide affordable housing.

6. **Utility Connections:** To make utility connections including off-site connections from the property line to the adjacent street.
7. **Site Improvements:** Site improvements must be in keeping with improvements to surrounding standard projects. Site improvements may include onsite roads and sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.
8. **Refinancing Costs:** The cost to refinance existing debt secured by rental housing units that are being rehabilitated with HTF funds, but only if the refinancing is necessary to reduce the overall housing costs and to make the housing more affordable and proportional to the number of HTF-assisted units in the rental project. The proportional rehabilitation cost must be greater than the proportional amount of debt that is refinanced. The grantee must establish refinancing guidelines and state them in its consolidated plan described in 24 CFR part 91. The guidelines shall describe the conditions under which the grantee will refinance existing debt. At minimum, the guidelines must demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
9. **Project-related Soft Costs:** These must be reasonable and necessary and can include: private lender origination fees; credit reports; fees for title evidence; fees for recordation and filing of legal documents; building permits; private appraisal fees; fees for an independent cost estimate; builders' or developer's fees; legal and accounting fees (including cost certification); architectural, engineering and related professional services required to prepare plans, drawings, specifications, or work write-ups; tenant housing counseling, these costs cannot be charged to or paid by the low income families; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects.
10. **Capitalization of Project Reserves:** HTF funds may be used to fund an initial operating deficit reserve.

#### E. Grant Amounts & Funding Source

**There are three set-asides for HTF Funding.** The HTF Application Guidelines is for the Targeted Needs and Permanent Housing Set-Asides.

- Targeted Needs available amount: \$700,000
- Permanent Housing available amount: \$1,500,000
  - Lincoln Continuum of Care (CoC): \$500,000
  - Omaha CoC: \$500,000
  - Balance of State CoC: \$500,000
- LIHTC 9% available amount: \$500,000 (only available through the Joint LIHTC/HOME Applications found at: <http://www.nifa.org/res-dev/application>)

Contracts will be for 24 months.

**Essential Documentation & Submittal Instructions**

This section contains all forms and exhibits to be submitted so that your application can be reviewed. The Department reserves the right to verify all information and to consult with other agencies on the proposed project.

**Documentation**

The following checklist is to help ensure you have included all required information.

<b>Part I</b>	<b>Yes</b>	<b>No</b>
Is the applicant identification section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the application preparer’s section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the program activity indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate district indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the appropriate service area indicated?	<input type="checkbox"/>	<input type="checkbox"/>
Is the household beneficiary complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the certified official section complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is the original copy appropriately bound and submitted?	<input type="checkbox"/>	<input type="checkbox"/>
Is the digital copy uploaded?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part II</b>		
Is the Funding Summary complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part III</b>		
Is the Part III Budget complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Table of Contents</b>		
Is an updated Table of Contents with page numbers and titles of sections included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Project Description</b>		
Is the Project Description included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Part IV</b>		
Is the application complete?	<input type="checkbox"/>	<input type="checkbox"/>
Is each application question answered?	<input type="checkbox"/>	<input type="checkbox"/>
Is each appropriate exhibit included to support the application answers and labeled correctly?	<input type="checkbox"/>	<input type="checkbox"/>
Is each exhibit and supporting documentation cited with page numbers?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix A Implementation Schedule</b>		
Is the Implementation Schedule included?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix B Development Pro-Forma and Project Design</b>		
Is the Development Pro-Forma and Project Design included? (See Appendix B)	<input type="checkbox"/>	<input type="checkbox"/>
Is the Development Pro-Forma and Project Design complete, clear, and correct?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Appendix C Rehabilitation Standards – HTF Rehabilitation Standards and DED Minimum Rehabilitation Standards</b>		
Are the Rehabilitation Standards included? If applicable.	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix D Required Exhibits for Non-profit and Public Housing Authority (PHA)**

<b>Exhibit Name</b>	<b>Description</b>	<b>Yes</b>	<b>No</b>
<b>Exhibit A</b>	Notice of Public Hearing/Meeting (Must include comments)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit C-2</b>	Citizen Participation Plan	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit D</b>	Residential Anti-Displacement & Relocation Assistance Plan (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit L</b>	FFATA Reporting Form/Certification	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit N</b>	SAM (System for Award Management documentation)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit O-1</b>	Four Factor Analysis Assessing Limited English Proficiency	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit O-2</b>	Language Assistance Plan	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit Q-1</b>	Application Certification Form	<input type="checkbox"/>	<input type="checkbox"/>

<b>Exhibit Q-2</b>	Applicant Certification Of Rental Project Federal Assistance Form	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit R</b>	Authorizing Resolution (for Non-Profit and Public Housing Authority)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit T</b>	Proof of Non-Profit Status & Certificate of Good Standing	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix E Additional Exhibits for Non-profits and PHAs**

<b>Exhibit Name</b>	<b>Description</b>	<b>Yes</b>	<b>No</b>
<b>Exhibit 101</b>	Architectural Plan, including Fair Housing Act and Section 504	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 102</b>	Site Control	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 103</b>	Zoning and Local Approvals	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 104</b>	Other Federally Funded Affordable Housing Projects	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 105</b>	Site Review Form and Approval	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 106</b>	Letters of Commitment and/or Executed Memorandum of Agreement	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 107</b>	Project Based Rental Assistance/Tenant Based Rental Assistance	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 108</b>	Affirmative Fair Housing Marketing Plan	<input type="checkbox"/>	<input type="checkbox"/>
<b>Exhibit 109</b>	Project Financing and Credit Documentation	<input type="checkbox"/>	<input type="checkbox"/>

**Appendix F Applicant Specific Attachments (Optional)**

Name each Applicant Specific Attachment (not listed elsewhere) as: "Attachment [appropriately detailed title]"			
<b>Attachment Name</b>	<b>Description</b>	<b>Yes</b>	<b>No</b>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

The following criteria will be verified by DED:	Yes	No
1. HTF applicant's eligibility on sam.gov.	<input type="checkbox"/>	<input type="checkbox"/>
2. Applicant is eligible (non-profit: proof of non-profit status and Cert. of Good Standing).	<input type="checkbox"/>	<input type="checkbox"/>
3. Activities are eligible and comply with HTF regulations.	<input type="checkbox"/>	<input type="checkbox"/>
4. Applicant has addressed compliance problems.	<input type="checkbox"/>	<input type="checkbox"/>
5. Applicant is current with all reporting requirements.	<input type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="167 331 1336 472"><b>6. If the project involves new construction and/or subdivision infrastructure development</b> (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved), please attach a development pro-forma detailing incremental development.</p> <p data-bbox="212 514 1336 615">Note: Projects involving New Construction and/or Subdivision Infrastructure will be required to complete the following steps prior to a Notice of Release of Funds or prior to a stage mutually agreed upon by the applicant and DED during contract negotiations. These steps include:</p> <ul style="list-style-type: none"> <li data-bbox="248 653 1336 756">i. The site(s) must be reviewed and approved by DED housing staff prior to any activity, including land purchase. <b>Grantee must request a site review from the Housing Coordinator within 45 days prior to final application due date.</b> <a href="https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/">https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/</a></li> <li data-bbox="248 793 1336 863">ii. Site Plan and Preliminary Architectural Designs must be reviewed and approved by DED housing staff prior to any activity, including land purchase.</li> <li data-bbox="248 867 1336 968">iii. A final Development Pro Forma based upon the approved site, site plan and preliminary architectural designs must be reviewed and approved by DED housing staff prior to any activity, including land purchase.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="167 982 1336 1083"><b>7. If the project involves rehabilitation and/or acquisition, please attach a property condition assessment that is less than one year old. Please attach a development pro-forma detailing incremental development.</b></p> <p data-bbox="212 1121 1336 1190">Applicants are highly encouraged to work with all project owners to develop the property condition assessment. The assessment should include:</p> <ul style="list-style-type: none"> <li data-bbox="248 1228 1336 1297">i. Capital Reserves Schedule or Capital Needs Assessment (multifamily housing with 26 or more total units),</li> <li data-bbox="248 1302 1336 1335">ii. immediate and short-term repairs cost estimate,</li> <li data-bbox="248 1339 1336 1409">iii. evaluation of the existing buildings, building architectural and structural systems, building mechanical and electrical systems, and</li> <li data-bbox="248 1413 1336 1446">iv. interior information on dwelling units and any other structures.</li> </ul> <p data-bbox="212 1484 1336 1577">Attach an architectural design of the units, including schematic floor plans of the various unit sizes. List all applicable local, state and/or national building codes, zoning requirements and covenants, and describe how the project meets them.</p>	<input type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="167 1587 1336 1688"><b>8. If the project involves rehabilitation and/or acquisition, a Project Physical Condition Review must be conducted. Explain when the physical condition review request was made to the DED Housing Coordinator and the results of the review.</b></p> <p data-bbox="212 1726 1336 1795"><b>Requests must have been made in writing to DED 45 days prior to the application due date. DED must approve the review and approve the building.</b></p>	<input type="checkbox"/>	<input type="checkbox"/>

<p>7. <b>Fair Housing</b> – Provide an explanation of the Fair Housing Act and Section 504 accessibility requirements applicable to the project. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met and/or exceeded. Requirements are not limited to project design. DED may consult other agencies to review the project for compliance with these requirements.</p>	<input type="checkbox"/>	<input type="checkbox"/>
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**Application Submittal Instructions**

**\*In submitting your application, these instructions must be followed:**

- Submit the original signed hardcopy application and upload scanned copy of the original;
- Number all pages, exhibits inclusive, sequentially in the bottom right-hand corner, include the exhibit number above the page number. Handwritten numbers are acceptable;
- Upload scanned copy in three separate files; one file for Part I-Part IV, one file for Required Exhibits, and one file Additional Exhibits, these files need to be in PDF format. Also, submit the Microsoft Excel spreadsheet for the Pro-Forma in addition to including the PDF version in the application. Name all files with the Applicant name then the section of the application above. (DED suggests printing and numbering the entire original hardcopy first, then scanning each portion into its own file and then uploading. This will ensure the page numbers of the digital copy match those of the original.) Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.
- Two-Hole punch the original application in the center top; and
- Include a Table of Contents for both, the original hard copy and the scanned copy.

**\*Below is an outline of what your HTF Application should look like:**

- Part I. General Information** (use required form)
- Part II. Funding Summary** (use required form)
- Part III. Project Budget and Financing** (follow instructions)
- Table of Contents** (include page numbers and title of sections)
- Project Description** (follow instructions)
- Part IV Application Questions – Project Design and Impact**
- Implementation Schedule** (Appendix A)
- Development Pro-Forma and Project Design** (Appendix B)
- Rehabilitation Standards** (Appendix C)
  - HTF Rehabilitation Standards
  - DED Minimum Rehabilitation Standards
- Required Exhibits** (Appendix D, forms and instructions included in Chapter 3)
  - A Notice of Public Hearing/Meeting (Must include comments)
  - C-2 Citizen Participation Plan (OPTIONAL)
  - D Residential Anti-Displacement & Relocation Assistance Plan (if applicable)
  - L FFATA Reporting Form/Certification
  - N SAM (System for Award Management Documentation)
  - O-1 Four Factor Analysis Assessing Limited English Proficiency
  - O-2 Language Assistance Plan
  - Q-1 Applicant Certification Form (for Non-Profit and PHA)
  - Q-2 Applicant Certification of Rental Project Federal Assistance Form
  - R Authorizing Resolution (for Non-Profit and PHA)
  - T Proof of Non-Profit Status & Certificate of Good Standing
- Additional Exhibits** (Appendix E)
  - 101 Architectural Plan, including Fair Housing Act and Section 504
  - 102 Site Control
  - 103 Zoning and Local Approvals

- 104 Other Federally Funded Affordable Housing Projects
- 105 Site Review Form and Approval
- 106 Letters of Commitment and/or Executed Memorandum of Agreement
- 107 Project Based Rental Assistance/Tenant Based Rental Assistance
- 108 Affirmative Fair Housing Marketing Plan
- 109 Project Financing and Credit Documentation

**Applicant Specific Attachments** (Appendix F, if applicable)

## Application Forms and Instructions

### Part I. General Information Instructions

*Type all information except where signatures are required.*

**Box 1:** Provide the requested information.

**Box 2:** Provide the requested information. Check the appropriate application preparer box.

**Box 3:** Check the appropriate set-aside box, either Permanent Housing (Continuum of Care) or Targeted Needs. Under the Permanent Housing section, select the Continuum of Care (CoC) this project will be applying for funds, include the Region for the Balance of State CoC. Under Targeted Needs, provide a description of the Targeted Needs project being served.

**Box 4:** **Select the primary Congressional District** (check only one box) where the project will primarily be located in for purposes of determining proper Congressional District allocation. Each applicant must designate a single Congressional District (and a single sub-district if applicable), but each applicant will not be restricted to only working within a single Congressional District or Sub-District. Statewide or regional programs also select which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District or Sub-District.

**Box 5:** Indicate the area where the program will take place. Enter the municipality (i.e. Village or City) that will be served by the project and the county where the municipality is located. Also, enter the appropriate Congressional and Legislative District(s) information.

**Box 6:** Check the appropriate applicant type box.

**Box 7:** Enter the **number of households** to be served by the proposed project at the **maximum** income allowed program-wide.

**Box 8:** Type the name and title of the Certifying Official and date. **Sign in blue ink.** The Certifying Official for a non-profit or public housing authority applicant is the official authorized by the governing body to sign applications for state and federal funding. If the Certifying Official for a non-profit is not the Board President or Board Chair, attach the authorizing documentation of the governing body that allows the designated certifying official to sign the application.

**Box 9: SUBMIT THE HTF APPLICATION – Original Hard Copy and Scanned Copy**

SUBMIT ORIGINAL HARDCOPY BY MAIL OR IN PERSON TO:

**Nebraska Department of Economic Development  
Housing Coordinator  
Housing and Community Development  
301 Centennial Mall South - PO Box 94666  
Lincoln, NE 68509-4666**

ALSO UPLOAD A SCANNED COPY TO: <https://negov.sharefile.com/r-r530cb53a0734bbe9>



## **Part II. Funding Summary Instructions**

Enter dollar amounts into the appropriate boxes in the funding summary table. The Part II Funding Summary should correlate with Part III Project Budget & Financing. Include requested HTF Funds, Matching Funds, Leveraged Funds, and In-Kind Funds to be included in the Award Contract. Please describe the source of all Funds. Note: Nebraska Affordable Housing Program Funds cannot be used as match with any other form of Nebraska Affordable Housing Program Funds, including Program Income.

If you have any questions about Activity Codes, direct them to DED.

**The Department reserves the right to non-select an application at any point during the review process if the applicant does not have the full funding commitment of all other key investors prior to application due date.**

## **Part III. Project Budget and Financing Instructions**

Provide a detailed budget for the proposed project, including project hard and soft costs. The budget should include: 1) costs for each item; and, 2) the proposed or likely funding source for each item.

### *Program Costs*

List for each activity the major costs by line item. Program costs are the "soft" costs such as: these must be reasonable and necessary and can include: private lender origination fees; credit reports; fees for title evidence; fees for recordation and filing of legal documents; building permits; private appraisal fees; fees for an independent cost estimate; builders' or developer's fees; legal and accounting fees (including cost certification); architectural, engineering and related professional services required to prepare plans, drawings, specifications, or work write-ups; tenant housing counseling, these costs cannot be charged to or paid by the low income families; project audit costs; affirmative marketing and fair housing services to prospective tenants of an assisted project; and staff costs directly related to projects.

Program costs are the "hard" costs such as: new construction; rehabilitation; reconstruction; acquisition with rehabilitation; demolition; utility connections; site improvements; refinancing costs; and acquisition costs. The total line item costs for each activity must equal the totals by activity shown on Part II.

### *Rent-Up Reserves (activity 581)*

For new construction or rehabilitation, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HTF funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained for the project reserves at the discretion of DED. If the proposed project development budget includes HTF-funded reserves, a proposed plan for the disposition of any remaining funds at the end of the 18-month period must be attached to this application.

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed or newly constructed with HTF funds and DED will award no more than one-third of the state's annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program.

*Operating Reserves (activity 582)*

An operating cost assistance reserve may be funded by the grantee for the HTF-assisted units in a project where the grantee determines in its underwriting of the project the reserve is necessary to ensure the project's financial feasibility. If the operating cost assistance reserve is funded with appropriated HTF funds, the allowable amount of the reserve shall not exceed the amount determined by the grantee to be necessary to provide operating cost assistance for HTF-assisted units, for a period not to exceed five (5) years, based on an analysis of potential deficits remaining after the expected rent payments for the HTF-assisted units are applied to the HTF-assisted unit's expected share of operating costs. If the operating cost assistance reserve is funded with non-appropriated HTF funds, the reserve may be funded for the period of affordability.

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed or newly constructed with HTF funds and DED will award no more than one-third of the state's annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF-assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program.

*Proposed Funding Source*

All budget items should indicate the proposed source of funds for that item. DED understands that the application budget and financing is a proposal only and may vary somewhat during project implementation. Nonetheless, a budget indicating both sources and uses must be submitted. For all applications submit a housing development pro-forma in conjunction with the project budget and financing to demonstrate the sources and uses in a project.

## **Table of Contents Instructions**

Include a Table of Contents in both the original hardcopy application and in the scanned digital copy. Number every single page, include exhibit information above page number (handwritten page numbers are appropriate). Page numbers for the scanned digital copy should reflect the page numbers on the original hard copy application submitted and correspond to the Table of Contents.

DED suggests printing and numbering the entire original hardcopy first, then scanning the application file for upload to the DED link. This will ensure the page numbers of the digital copy match those of the original. Be sure to print and keep a copy of the original, including necessary signatures for the Applicant file.

Below is a sample Table of Contents, include the title of the section and exhibit information. Some forms listed below may not be applicable depending upon the application activity, content and organizational type.

### **Part I. General Information**

### **Part II. Funding Summary**

### **Part III. Project Budget and Financing**

### **Table of Contents**

### **Project Description**

### **Part IV. Application Questions – Project Design and Impact**

#### **Implementation Schedule (Appendix A)**

#### **Development Pro-Forma and Project Design (Appendix B)**

#### **Rehabilitation Standards (Appendix C)**

- HTF Rehabilitation Standards
- DED Minimum Rehabilitation Standards

#### **Required Exhibits (Appendix D, forms and instructions included in Chapter 3 Exhibits)**

##### **A Notice of Public Hearing/Meeting**

##### **C-2 Citizen Participation Plan (OPTIONAL)**

##### **D Residential Anti-Displacement & Relocation Assistance Plan (if applicable)**

##### **L FFATA Reporting Form/Certification**

##### **N SAM (System for Award Management Documentation)**

##### **O-1 Four Factor Analysis Assessing Limited English Proficiency**

##### **O-2 Language Assistance Plan**

##### **Q-1 Non-Profit Application Certification Form**

##### **Q-2 Applicant Certification of Rental Project Federal Assistance Form**

##### **R Authorizing Resolution (for Non-Profit)**

##### **T Proof of Non-Profit Status & Certificate of Good Standing**

#### **Additional Exhibits (Appendix E)**

##### **101 Architectural Plan, including Fair Housing Act and Section 504**

##### **102 Site Control**

##### **103 Zoning and Local Approvals**

##### **104 Other Federally Funded Affordable Housing Projects**

##### **105 Site Review Form and Approval**

##### **106 Letters of Commitment and/or Executed Memorandum of Agreement**

##### **107 Project Based Rental Assistance/Tenant Based Rental Assistance**

##### **108 Affirmative Fair Housing Marketing Plan**

##### **109 Project Financing and Credit Documentation**

#### **Applicant Specific Attachments (Appendix F, if applicable)**

**Project Description Instructions**

Include a description of the **proposed project** including information on all the proposed activities within the project, regardless of funding source. The Project Description should be 2 – 3 pages in length and summarize the project, including but not limited to, the type of project, where the project will take place, and who the project will serve.

**Part IV: Application Questions – Project Design and Impact**

**Threshold Requirements**

**Application:**

- a) **Geographic Diversity**
- b) **Ability of Obligate Funds**
- c) **Timeliness**
- d) **Project Based Rental Assistance ELI**
- e) **Affordability Period**
- f) **Priority Housing Needs**
- g) **Non-Federal Funding Sources**

Answer the Part IV Application Questions by explaining your answer in the space provided below the question.

For sections that ask for more information in the form of an exhibit, please include the exhibit in the application, labeling it appropriately and include the page and/or section number in the far right column.

**Selection Criteria Matrix**

The following Selection Criteria Matrix is provided in order to provide information on the Criteria and Total Possible Points for each application.

**Failure of the Applicant to meet all threshold criteria will not be funded during the 2018 HTF Cycle.**

<b>Selection Criteria Matrix</b>		
<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
Geographic Diversity	10	
Ability to Obligate Funds	10	
Timeliness	10	
Project Based Rental Assistance ELI	10	
Affordability Period	10	
Priority Housing Needs	10	
Non-Federal Funding Sources	10	
<b>Total Possible Points</b>	<b>70</b>	

**2018 APPLICATION FOR THE HOUSING TRUST FUND**

Nebraska Department of Economic Development (DED)

**PART I. GENERAL INFORMATION**

TYPE OR PRINT ALL INFORMATION

DED USE ONLY	
Date Stamp Below	Application Number
	<b>18-HTFRH-</b>

<p><b>1. APPLICANT IDENTIFICATION</b></p> <p>Name: _____</p> <p>Contact person: _____</p> <p>Address: _____</p> <p>City/State/Zip: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Email: _____</p> <p>Tax ID: _____</p> <p>Duns #: _____</p>	<p><b>2. APPLICATION PREPARER INFORMATION</b></p> <p>Name: _____</p> <p>Contact person: _____</p> <p>Address: _____</p> <p>City/State/Zip: _____</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Email: _____</p> <p>Application Preparer (check one)</p> <p><input type="checkbox"/> Local Staff    <input type="checkbox"/> Out-of-State Consultant</p> <p><input type="checkbox"/> In-State Consultant    <input type="checkbox"/> Non-Profit Organization</p> <p><input type="checkbox"/> Economic Development District</p> <p><input type="checkbox"/> Other</p>
<p><b>3. HTF Rental Set-Aside (check all that apply)</b></p> <p><input type="checkbox"/> Permanent Housing (Continuum of Care)</p> <p style="margin-left: 20px;"><input type="checkbox"/> Balance of State CoC, Region</p> <p style="margin-left: 20px;"><input type="checkbox"/> Lincoln CoC</p> <p style="margin-left: 20px;"><input type="checkbox"/> Omaha CoC</p> <p><input type="checkbox"/> Targeted Needs</p> <p style="margin-left: 20px;">Description of Targeted Needs: _____</p>	<p><b>4. DISTRICT INDICATOR-(Select only ONE)</b></p> <p><input type="checkbox"/> Congressional District 1</p> <p><input type="checkbox"/> Congressional District 2</p> <p><input type="checkbox"/> Congressional District 3</p>
<p><b>7. HOUSEHOLD BENEFICIARIES</b></p> <p># _____ at or below 30% of the Area Median Family Income</p> <p># _____ Total</p> <p><input type="checkbox"/> Single Family - # of units _____ at or below 30% AMI</p> <p><input type="checkbox"/> Duplex - # of units _____ at or below 30% AMI</p> <p><input type="checkbox"/> Multi-Family - # of units _____ at or below 30% AMI</p>	<p><b>5. SERVICE AREA</b></p> <p>Area to be served [city and county]. Please list: _____</p> <p>Nebraska Legislative District(s) _____</p> <p>Nebraska Congressional District(s) _____</p>
<p><b>6. TYPE OF APPLICANT</b></p> <p><input type="checkbox"/> Non-Profit 501(c)(3)                      <input type="checkbox"/> Non-Profit 501(c)(4)</p> <p><input type="checkbox"/> Non-Profit 501(c)(3) CHDO              <input type="checkbox"/> Non-Profit 501(c)(4) CHDO</p> <p><input type="checkbox"/> Public Housing Authority</p>	
<p><b>8. CERTIFYING OFFICIAL:</b></p>	
<p><i>To the best of my knowledge and belief, data and information in this application is true and correct, including any commitment of local or other resources. The governing body of the applicant has duly authorized this application. This applicant will comply with all Federal and state requirements governing the use of HTF funds.</i></p> <p>Signature in blue ink: _____</p> <p>Typed Name and Title: _____ Date Signed: _____</p> <p>Address/City/State/Zip: _____</p>	
<p><b>9. SUBMIT THE ORIGINAL HTF APPLICATION TO:</b></p>	
<p>Nebraska Department of Economic Development          Housing Coordinator          Housing and Community Development          301 Centennial Mall South - PO Box 94666          Lincoln, NE 68509-4666</p>	<p><b>UPLOAD THE SCANNED COPY of the HTF APPLICATION TO:</b></p> <p><a href="https://negov.sharefile.com/r-r530cb53a0734bbe9">https://negov.sharefile.com/r-r530cb53a0734bbe9</a></p> <p>Pamela Otto, <a href="mailto:pamela.otto@nebraska.gov">pamela.otto@nebraska.gov</a></p>
<p><i>Individuals, who are hearing and/or speech impaired and have a TTY, may contact the Department through the Statewide Relay System by calling (800) 833-7352 (TTY) or (800) 833-0920 (voice). The relay operator should be asked to call DED at (800) 426-6505 or (402) 471-3111.</i></p>	

**HTF PROGRAM**  
**PART II. FUNDING SUMMARY**

<b>Code</b>	<b>Activity</b>	<b>HTF Funds</b>	<b>Non-Federal Funding Sources</b>	<b>Total Funds</b>	<b>Source(s) of Project Financing</b>
0520	Acquisition of Property				
0521	Acquisition of Vacant Land				
0522	Demolition				
0541	SF Housing Rental Rehabilitation				
0544	SF Housing New Construction Rental <sup>1</sup>				
0561	MF Rehabilitation				
0562	MF New Construction				
	<b>Subtotal</b>				
0581	Rent-up Reserves				
0582	Operating Reserves				
<b>1000</b>	<b>TOTAL PROGRAM COSTS</b>				

*Clarification for the above activities should be directed to DED.*

<sup>1</sup>New Construction includes the hard costs for acquiring land, constructing homes and development subsidy (the difference between the cost to develop and build the home and the appraised value of the home).

**HOUSING TRUST FUND PROGRAM**  
**PART IV. APPLICATION QUESTIONS - PROJECT DESIGN AND IMPACT**

**THRESHOLD REQUIREMENTS**

	YES	NO
1. Is the <b>Applicant</b> an eligible applicant as defined in this application; which includes: Local or regional non-profit 501(c)(3) or 501(c)(4) housing or related service organizations; Public Housing Authorities; or State-designated Community Housing Development Organizations (CHDO)?	<input type="checkbox"/>	<input type="checkbox"/>
2. Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following: a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle. b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle. c. Applicants must comply in all respects with NDED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements. Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.	<input type="checkbox"/>	<input type="checkbox"/>
3. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).	<input type="checkbox"/>	<input type="checkbox"/>
4. Demonstrate the financial feasibility of the project.	<input type="checkbox"/>	<input type="checkbox"/>
5. Certify that housing assisted with HTF funds will comply with HTF requirements.	<input type="checkbox"/>	<input type="checkbox"/>
6. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.	<input type="checkbox"/>	<input type="checkbox"/>
7. Was the full application submitted to DED by the required due date?	<input type="checkbox"/>	<input type="checkbox"/>
<b>*Failure of the Application to meet all of the threshold requirements will result in the Application not being funded during the 2018 HTF Cycle.</b>		

**APPLICATION**

<b>Geographic Diversity</b>	Page # & Section <u>Cite Below</u>
Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.	
<b>Permanent Housing Set Aside</b> For HTF applicants applying for the Permanent Housing Set Aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The	

<p>BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska. See also the CoC map below.</p> <p>Permanent Housing Set Aside: Describe the location of the project. (Provide the Region of the Continuum of Care.)</p> <p><b>Targeted Needs Set Aside</b>  For HTF applicants applying within the Targeted Needs Set Aside, the entire state is the eligible area. While two of the three Set Asides do provide geographic diversity, the Targeted Needs Set Aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.</p> <p><i>Targeted Needs Set-Aside will not have any points associated for Geographic Diversity</i></p>	
<b>Geographic Diversity Points – 10</b>	
<b>Ability to Obligate Funds</b>	Page # & Section <u>Cite Below</u>
<p>Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control.</p> <ul style="list-style-type: none"> <li>Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization’s proposed HTF project.</li> </ul>	
<p><b>Exhibit 101 Architectural Plan, including Fair Housing Act and Section 504</b>  <b>Exhibit 102 Site Control</b>  <b>Exhibit 103 Zoning and Local Approvals</b></p>	
<b>Obligate Funds Points – 10</b>	
<b>Timeliness</b>	Page # & Section <u>Cite Below</u>
<p>Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:</p> <ul style="list-style-type: none"> <li>Development staff experience, which includes financial and staff capacity</li> <li>Development contractor or partnering agency and their experience</li> <li>History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner</li> <li>Other relevant factors which demonstrate the ability of the team to ensure a successful timely project</li> <li>Readiness of the current project application <ul style="list-style-type: none"> <li>Timeliness determined through the Threshold Requirements completion</li> <li>Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project</li> </ul> </li> </ul>	
Property Portfolio – Describe the applicant’s portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant’s	



development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.	
Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.	
Project Management – Describe the procedures in place for monitoring the progress of the project.	
<i>Exhibit 104 Other Federally Funded Affordable Housing Projects</i> <i>Exhibit 105 Site Review Form and Approval</i> <i>Exhibit 106 Letters of Commitment and/or Executed Memorandum of Agreement</i>	
<b>Timeliness Points – 10</b>	
<b>Project Based Rental Assistance for ELI</b>	Page # & Section Cite Below
Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for the ELI families. Applicants must identify the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.	
<i>Exhibit 107 Project Based Rental Assistance/Tenant Based Rental Assistance</i>	
<b>Project Based Rental Assistance ELI Points – 10</b>	
<b>Affordability Period</b>	Page # & Section Cite Below
Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate the commitment.	
<i>Appendix B Development Pro-Forma and Project Design</i>	
<b>Affordability Period Points – 10</b>	
<b>Priority Housing Needs</b>	Page # & Section Cite Below
HTF applications will be consistent with the State’s Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.	
HTF applications will be evaluated on how the priority housing needs as identified in the	

<p>State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?</p> <p>The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:</p> <ol style="list-style-type: none"> <li>1. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?</li> <li>2. Is the project application promoting housing preservation by improving the quality of Nebraska’s existing affordable housing?</li> <li>3. Does the project application enhance statewide understanding of fair housing law through outreach and education?</li> </ol> <p>The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.</p> <ol style="list-style-type: none"> <li>1. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?</li> <li>2. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?</li> </ol>	
<p>Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.</p> <p>Describe how the proposed project impacts the community.</p>	
<p><b>Exhibit 108 Affirmative Fair Housing Marketing Plan</b></p>	
<p><b>Priority Housing Needs Points – 10</b></p>	
<p><b>Non-Federal Funding Sources</b></p> <p>Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.</p> <p>The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.</p> <p>Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.</p>	<p>Page # &amp; Section Cite Below</p>
<p><b>Appendix B Development Pro-Forma and Project Design</b> <b>Exhibit 109 Project Financing and Credit Documentation</b></p>	
<p><b>Non-Federal Funding Sources Points – 10</b></p>	
<p><b>Total Possible Points – 70</b></p>	

## APPENDIX A – IMPLEMENTATION SCHEDULE

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Implementation Schedules forms are available at <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>. You must use this form and attach to your application.

1. List the target(s) for your project. The target must contain: a) the number of proposed units; b) the income of those affected; c) the type of program; d) where the target will be achieved, and e) date the project or program will be fully completed and verifiable.
2. List all proposed due dates for sections required by program type.

The more details that can be provided about the actual project, the methods used to achieve the project, and information about the persons responsible for project implementation and development will benefit the applicant in the DED application review process.

## APPENDIX B – DEVELOPMENT PRO-FORMA AND PROJECT DESIGN

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The Development Pro-Forma is required for all rental projects and can be found at: <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>

Please attach a development pro forma detailing incremental development. **Upload scanned excel spreadsheet.** (To: <https://negov.sharefile.com/r-r530cb53a0734bbe9>, or email to Pamela Otto at: [pamela.otto@nebraska.gov](mailto:pamela.otto@nebraska.gov)).

The Project Design can be found in Chapter 3 – Exhibits.

## APPENDIX C – REHABILITATION STANDARDS – HTF REHABILITATION STANDARDS AND DED MINIMUM REHABILITATION STANDARDS

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The HTF Rehabilitation Standards and DED Minimum Rehabilitation Standards can be found on the website at: <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>

## APPENDIX D – REQUIRED EXHIBITS (CAN BE FOUND IN CHAPTER 3)

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### Non-profit organization and Public Housing Authority applicants:

<b>EXHIBIT A</b>	Notice of Required Public Hearing or Public Meeting Notice (Application Guidelines Exhibit A form language must be used for the official public hearings and must be submitted with either Proof of Publication or Certificate of Posting, and a summary of citizens’ comments).
<b>EXHIBIT C-2</b>	Citizen Participation Plan (OPTIONAL)
<b>EXHIBIT D</b>	Residential Anti-Displacement & Relocation Assistance Plan (if applicable)
<b>EXHIBIT L</b>	FFATA Reporting Form/Certification
<b>EXHIBIT N</b>	SAM (System for Award Management documentation)
<b>EXHIBIT O-1</b>	Four Factor Analysis Assessing Limited English Proficiency
<b>EXHIBIT O-2</b>	Language Assistance Plan
<b>EXHIBIT Q-1</b>	Non-Profit or Public Housing Authority Application Certification Form
<b>EXHIBIT Q-2</b>	Applicant Certification of Rental Project Federal Assistance Form
<b>EXHIBIT R</b>	Authorizing Resolution for Non-profit organization and Public Housing Authority Applicants (sample format provided)
<b>EXHIBIT T</b>	Proof of Non-Profit Status and Certificate of Good Standing

## APPENDIX E – ADDITIONAL EXHIBITS

Please include the following exhibits noted below. Clearly identify each exhibit number in bottom right of each page of the exhibit.

### Exhibit 101 – Architectural Plan, including Fair Housing Act and Section 504

1. Provide preliminary architectural drawings on 8.5 x 11 sheets to include all site plan(s), elevation drawings (front, rear, and side) of each building type, and schematic floor plans of the various unit sizes.
2. In addition, provide a signed certification from the architect that confirms that the development will be constructed in accordance/compliance with:
  - (i) The applicable local energy conservation code, or, if no such code is applicable, then in accordance with the 2009 International Energy Conservation Code.
  - (ii) Local Codes or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings)
  - (iii) If applying for HTF Funds, for rehabilitation: The development will meet or exceed the NDED rehabilitation standards, and local code requirements or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings). The NDED rehabilitation standards can be found at: <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>
  - (iv) Signed certification must be dated within 12 months of the applicable final deadline.

*NOTE: Material changes to the floor plan(s) without prior approval of DED could result in cancellation of the award of HTF.*

### Fair Housing and Section 504

1. Provide a signed certification from the Architect that confirms that the development will be constructed in accordance/compliance with:
  - (i) The Fair Housing Act Amendments of 1988; consideration being given to the accessibility/adaptability of units to handicapped occupancy.
  - (ii) If applying for HOME/HTF funds, Section 504 accessibility requirements are applicable to the development. Describe what Section 504 requirements apply to the development and how they will be met and/or exceeded. Information regarding Section 504 accessibility requirements can be found at: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/sect504](https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/sect504)
  - (iii) Signed certification must be dated within one year of the applicable final deadline.

### Exhibit 102 – Site Control

Provide evidence of site control in the form of one of the following eligible forms (if multiple sites, the applicant must have control of each site making up the single development).

1. Exhibit 103 must also include a legal description and evidence of current fee ownership (e.g. a copy of the current seller's recorded deed or a valid title commitment confirming seller's ownership).
2. The expiration of any purchase/option agreement must not occur until at least **90 days** after the deadline for submitting the **final** application.

### Eligible Types of Site Control:

- a. A valid contract/option to purchase the land (and building(s), if any) with the legal description clearly identified between the seller (who must be the current fee owner) & the owner, its general partner or an affiliated entity.

- b. Executed disposition and development agreement with a public agency with the legal description clearly identified. (Example: city owns the land (and building(s), if any) and has a transfer agreement with the Owner).
- c. Signed and recorded long-term land lease with the legal description clearly identified (with a minimum term of 50 years) in a form acceptable to NDED with evidence that the lessor owns the land. **(An agreement to enter into a lease with the above provision is also acceptable for developments built on Tribal lands or land owned by the Veterans Administration.)**
- d. Recorded Warranty Deed in the name of the owner, its general partner or an affiliated entity.

**Exhibit 103 – Zoning and Local Approvals**

1. Provide a letter from the appropriate local governmental body dated within one year of the final applicable deadline indicating the development’s status in relation to local zoning requirements for the proposed number and type of units. A form of letter is included as Exhibit 105 in the Exhibit Examples.
  - (i.) Development meets all local zoning requirements, including the proposed number and type of units.
  - (ii.) If the development is not subjected to municipal zoning ordinances, then the owner must supply NDED with written documentation from the appropriate local governmental official, stating the proposed development can be built per the current governing land use regulations, subject only to review of final plans and specifications.
  - (iii.) If the development is currently a legal nonconforming use, as per zoning regulations, then the owner must have the zoning administrator’s explicit evaluation that a conditional use permit or final approval will be obtained within **180 days** of the final application.

**Exhibit 104 – Other Federally Funded Affordable Housing Projects**

Provide a spreadsheet of all other Federally Funded Affordable Housing Projects.

**Exhibit 105 – Site Review and Approval**

Applying for HTF funds from NDED, requires a site visit review, which must be requested in writing to Pamela Otto via email at [pamela.otto@nebraska.gov](mailto:pamela.otto@nebraska.gov) at least 45 days prior to the current application deadline. Please attach a copy of the DED Site Visit Review as Exhibit 105. The form can be found at: <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>

**Exhibit 106 – Letters of Commitment and/or Executed Memorandum of Agreement**

Include letters of commitment and/or executed memorandum of agreements for the project.

**Exhibit 107 – Project Based Rental Assistance/Tenant Based Rental Assistance**

- Name of the Housing Authority that has committed to providing new project-based rental assistance including VASH vouchers:
- Number of units receiving project-based rental assistance:
- Length of commitment for project-based rental assistance (in years): *Attach a letter of commitment from the Housing Authority detailing the number of units that will receive project-based rental assistance & the length of the commitment for the project-based rental assistance as **Exhibit 106**, dated within one year of the applicable final deadline.*

**Exhibit 108 – Affirmative Fair Housing Marketing Plan**

1. Provide an Affirmative Marketing Plan: The form is located at: <https://www.hudexchange.info/resource/4716/affirmative-fair-housing-marketing-plan-form/>
  - (i) Sign and date the appropriate form for the project type.
  - (ii) Complete all applicable worksheets.
  - (iii) Signed form must be dated within one year of the applicable final deadline.

*NOTE: If the development consists of a scattered site (i.e. buildings in the development are located in different towns/cities), a plan is needed for each site.*

**Exhibit 109 – Project Financing and Credit Documentation**

Documentation must include all sources of project financing as reflected on the Part II and the Non-Federal Funding Sources application question.

## APPENDIX F – APPLICANT SPECIFIC ATTACHMENTS

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If applicable, please include any attachments not previously included. Clearly identify each attachment name in bottom right of each page. On the scanned copy, please label each attachment name to correspond with the original submitted copy. Please include as many additional attachments as is necessary to support the Part IV project design and impact answers.

- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]
- Attachment [Specific Name]

# 2018

## NATIONAL HOUSING TRUST FUND (HTF) PROGRAM

### CHAPTER 3: EXHIBITS

Program Year (July 1, 2018 through June 30, 2019)

**Nebraska Department of Economic Development**

*HUD's Housing Trust Fund*



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# NOTICE OF PUBLIC HEARING or PUBLIC MEETING ON APPLICATION FOR NEBRASKA AFFORDABLE HOUSING PROGRAM FUNDS

NOTICE IS HEREBY GIVEN that on (Date) in the (Place) the (Non-Profit, or Public Housing Authority) will hold a public hearing or meeting as applicable concerning an application to the Department of Economic Development for a Nebraska Affordable Housing Program Grant. This grant is available for local affordable housing activities.

The (Non-Profit, Public Housing Authority) is requesting (exact amount of funds) for (Detailed project description which must include: all project activities to be undertaken; the project location, including address(es) and legal description. If no addresses are available, a location description must be used (for example, between Maple and Oak Streets and 23rd and 24th Streets). Also include the requested amount of funds for each activity; the estimate of the total amount of requested HTF funds which will benefit low and moderate income people; the amount and source of other funds, if any; and the plans for minimizing displacement of people as a result of HTF and/or activities and for assisting person actually displaced.).

The grant application will be available for public inspection at (place). All interested parties are invited to attend this public hearing at which time you will have an opportunity to be heard regarding the grant application. Written testimony will also be accepted at the public hearing scheduled for (time), (date), (address, room number). Written comments can be addressed to (contact person) at (address) and will be accepted if received on or before (date).

Individuals requiring physical or sensory accommodations including interpreter service, Braille, large print, or recorded materials, please contact (contact person) at (address, phone number) no later than (date).

**This language must be used for the official public hearings and must be submitted with 1) Proof of Publication or a certification of Posting, and 2) a summary of citizen's comments.**

**EXHIBIT A**

**If the Applicant chooses to provide this OPTIONAL item, please utilize the following template.**

## **Citizen Participation Plan (Applicant Name), Nebraska**

### **A. Participation by Citizens**

All citizens, including low- and moderate-income citizens, shall be requested and encouraged to participate in the assessment of community issues, problems and needs; the identification of potential solutions; and priority to such issues, problems and needs, as follows:

1. All citizens shall be periodically requested to complete a community needs survey to identify community and neighborhood issues, problems and needs.
2. All citizens shall be notified by publication and posting of all meetings to discuss the identified needs, potential solutions and solution priorities.
3. All citizens, particularly low and moderate-income citizens, shall be afforded the opportunity to serve on various community improvement task forces established by the (Applicant name).

### **B. Access to Meetings, Information and Records**

Notice of public meetings conducted by the (Applicant name) shall be published or posted within a reasonable number of days prior to such meetings.

Agendas of all such meetings shall be available at the (location) for public inspection.

All meetings where NAHTF, HOME, and HTF projects or applications are to be discussed shall be published or posted within a reasonable number of days prior to such meetings and all information and records concerning such NAHTF, HOME, and HTF projects or applications shall be available for public inspection at the (location).

All meetings will be held at a time and (location) convenient to potential or actual beneficiaries which will be accessible to all citizens. The building and site will also be accessible to persons with disabilities.

### **C. Specific NAHTF, HOME, and HTF Project Information**

All citizens shall be provided with information regarding specific NAHTF, HOME, and HTF projects through public meetings and publication of notices which provide all pertinent information regarding any NAHTF and HOME project including, but not limited to:

1. The amount of NAHTF, HOME, and HTF funds expected to be made available to the (Applicant name) for the current fiscal year, including NAHTF, HOME, and HTF funds and anticipated program income;
2. The specific range of activities that may be undertaken with NAHTF, HOME, and HTF funds;
3. The estimated amount of NAHTF, HOME, and HTF funds to be used for activities that will meet the national objective of benefit to low-and moderate-income persons, and;
4. A description of any proposed NAHTF, HOME, and HTF funded activities that are likely to result in displacement of persons along with the (Applicant name) anti-displacement and relocation plans.

### **D. Provisions for Technical Assistance to Citizens**

The (Applicant representative) shall maintain current information of available resources for community improvement efforts and NAHTF, HOME, and HTF programs available and provide such information upon request by any citizen or group representing any citizen or group of citizens and the (Applicant representative) shall provide assistance in developing proposals to address issues, problems and needs identified by such citizen or citizens.

### **E. Public Hearing on NAHTF, HOME, and HTF Activities**

The (Applicant) shall enact a minimum of one (1) public meeting or hearing to be conducted with regard to any NAHTF, HOME, and HTF application. At least one meeting or hearing shall be conducted prior to the submission of any such application to obtain citizen input, comments or opinions with regard to such application(s).

The (Applicant representative) shall act as the contact person for all questions, comments or concerns expressed by any citizen with regard to any NAHTF, HOME, and HTF program or project and shall forward any such questions, comments or concerns to the (Applicant) at the next regular meeting of the (Applicant name) immediately following expression of such questions, comments or concerns. The (Applicant representative) shall also be responsible for transmitting the (Applicant name) response to any such question, comment or concerns to the citizen or citizens expressing the same.

### **F. Needs of Non-English Speaking Citizens**

**EXHIBIT C-2**

The (Applicant) shall conduct the public hearings in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate, the (Applicant representative) shall arrange for oral or written translation of information regarding any NAHTF, HOME, and HTF program, application or project upon request by such non-English speaking persons or representatives of such persons.

**G. Compliance/Grievance Procedures**

The (Applicant representative) shall post a notice at the (location) that provides name, telephone number, address and office hours of the (Applicant name) for citizens who wish to file a complaint or grievance regarding any NAHTF, HOME, and HTF program, project or application.

Individuals wishing to submit a complaint or file a grievance concerning activities, of or application for, NAHTF, HOME, and HTF funds may submit a written complaint or grievance to the (Applicant representative).

The (Applicant representative) shall present such complaint or grievance to the (location) at the next regular meeting of the (Applicant name), where it be reviewed by the Board members. The individual submitting such complaint or grievance shall be notified of such meeting and shall be given the opportunity to make further comments at such meeting. The (Applicant name) shall issue a written response to any complaint or grievance within fifteen (15) days following the meeting at which a response is formulated. Such response shall be mailed to the individual citizen(s) submitting the complaint or grievance by the (Applicant representative) to the last known address of said citizen(s).

In the event that the nature of the complaint or grievance is determined to be a matter requiring immediate action, a special meeting of the (Applicant name) shall be called to review the matter within ten (10) days of receipt of such complaint or grievance.

**H. Adoption**

This Citizen Participation Plan is hereby adopted by action of the (elected body by Applicant name), Nebraska.

\_\_\_\_\_  
(Name of Chief Executive Officer), (Title)

\_\_\_\_\_  
Attest: (Name of Applicant representative), (Title)

\_\_\_\_\_  
Date

# EXHIBIT D

## RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN

---

The (Name of Applicant) will replace all occupied and vacant occupiable low-moderate-income dwelling units demolished or converted to a use other than as low-moderate-income housing as a direct result of activities assisted with Housing Trust Fund (HTF) funds provided under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended.

All replacement housing will be provided within three (3) years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the (Name of Applicant) will make public and submit to DED the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low-moderate-income dwelling unit for at least ten (10) years from the date of initial occupancy.

The (Name of Applicant) will provide relocation assistance, according to either the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c) to each low/moderate-income family displaced by the demolition of housing, or the conversion of a low-moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the HTF program, the (Name of Applicant) will take the following steps to minimize the displacement of persons from their homes:

1. Maintain current data on the occupancy of houses in areas targeted for HTF assistance.
2. Review all activities prior to implementation to determine the effect, if any, on occupied residential properties.
3. Include consideration of alternate solutions when it appears an assisted project will cause displacement, if implemented.
4. Require private individuals and businesses to consider other alternatives to displacement causing activities, if they are requesting HTF assistance.

Signed \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Subscribed in my presence and sworn to before me.

\_\_\_\_\_  
Notary Public (Not required if on letterhead)

**EXHIBIT D**

## FFATA REPORTING FORM/CERTIFICATION – HOUSING APPLICATION CYCLE

The Federal Funding Accountability and Transparency Act (FFATA) seeks to provide the public with greater access to Federal spending information. Due to FFATA requirements, you are required to provide the following information, which may be used by the Department of Economic Development (“Department”) to comply with federal reporting requirements. Please fill out the following form accurately and completely, have it signed by an authorized official, and submit to the Department along with your application for funding.

<b>Name of Applicant:</b>			
<b>Applicant Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Applicant DUNS number:</b>			
<b>Principal Place of Performance of Proposed Project:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Brief Project Description:</b>			
<p>If certain conditions are met, Applicant may be required to provide names and total compensation of Applicant’s top five highly compensated Executives to the Department. Please answer question number 1, and follow the instructions. If directed to answer question 2, please answer question 2.</p> <p>Based upon your responses, the Department will determine whether the names and total compensation of Applicant’s top five highly compensated Executives is required to be submitted to the Department. If such information is required, Applicant will receive a written request from the Department for such information, along with a deadline for submission of such information.</p>			
<p>1. In Applicant’s previous fiscal year, did Applicant receive (a) 80 percent or more of Applicant’s annual gross revenues in U.S. federal contracts and subcontracts and other federal financial assistance subject to the Transparency Act, as defined in 2 C.F.R. 170.320; <b>AND</b> (b) \$25,000,000 or more in annual gross revenues from contracts and subcontracts and other federal financial assistance subject to the Transparency Act, as defined in 2 C.F.R. 170.320?</p> <p>Yes <input type="checkbox"/> If yes, answer question 2 below.          No <input type="checkbox"/> If no, stop. Please sign and submit form to the Department.</p>			
<p>2. Does the public have access to information about the compensation of Applicant’s senior Executives through periodic reports filed under section 13(a) or 15(d) of the Security Exchange Act of 1934 (15 U.S.C. 78(m)(a), 78o(d)), or section 6104 of the Internal Revenue Code of 1986?</p> <p>Yes <input type="checkbox"/>          No <input type="checkbox"/></p> <p>Please sign and submit form to the Department.</p>			
<p>The Applicant certifies that the information contained on this form is true and accurate.</p> <p>Signed: _____</p> <p>Title: _____</p> <p>Date: _____</p>			

**EXHIBIT L**

**FFATA REPORTING FORM/FOLLOW-UP INFORMATION – HOUSING APPLICATION CYCLE**

The Federal Funding Accountability and Transparency Act (FFATA) seeks to provide the public with greater access to Federal spending information. Due to FFATA requirements, you are required to provide the following information, which may be used by the Department of Economic Development (“Department”) to comply with federal reporting requirements. Please fill out the following form accurately and completely, have it signed by an authorized official, and submit to the Department.

<b>Name of Applicant:</b>			
<b>Applicant Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Applicant DUNS number:</b>			
<b>Principal Place of Performance of Proposed Project:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip:</b>	<b>Congressional District:</b>
<b>Brief Project Description:</b>			
<p><b>Based upon information submitted to the Department along with Applicant’s application for funding from the Housing Application Cycle, Applicant must provide names and total compensation of Applicant’s top five highly compensated Executives to the Department. Please provide the names and Total Compensation of the top five most highly compensated Executives in the space below.</b></p> <p>(NOTE: Executive means officers, managing partners, or any other employees in management positions. Total Compensation means the cash and noncash dollar value earned by the Executive during the Applicant’s preceding fiscal year and includes salary and bonus, awards of stock, stock options, and stock appreciation rights; earnings for services under non-equity incentive plans, change in pension value, above market earnings on deferred compensation which is not tax-qualified; and other compensation exceeding \$10,000 as defined in Appendix A to 2 C.F.R. Part 170.).</p>			
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<b>Name:</b>			<b>Total Compensation:</b>
<p>The Applicant certifies that the information contained on this form is true and accurate.</p> <p>Signed: _____</p> <p>Title: _____</p> <p>Date: _____</p>			

**EXHIBIT L**

## Instructions for Exhibit N: SAM database record and clearance

Each applicant must obtain a Duns and Bradstreet (DUNS) number and also register within the SAM system.

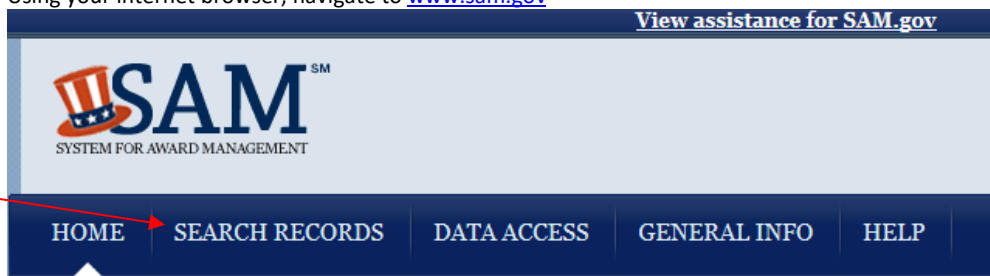
The Federal Funding Accountability and Transparency Act (FFATA) of 2006 mandated specific reporting requirements for recipients of federal funds. In order to report in this system, each State award recipient must have a DUNS and a CAGE code, assigned as a result of registration in the federal SAM.

For more information on obtaining a DUNS number and registering in the System for Award Management (SAM), please review the following information at: <https://www.sam.gov/portal/SAM/>

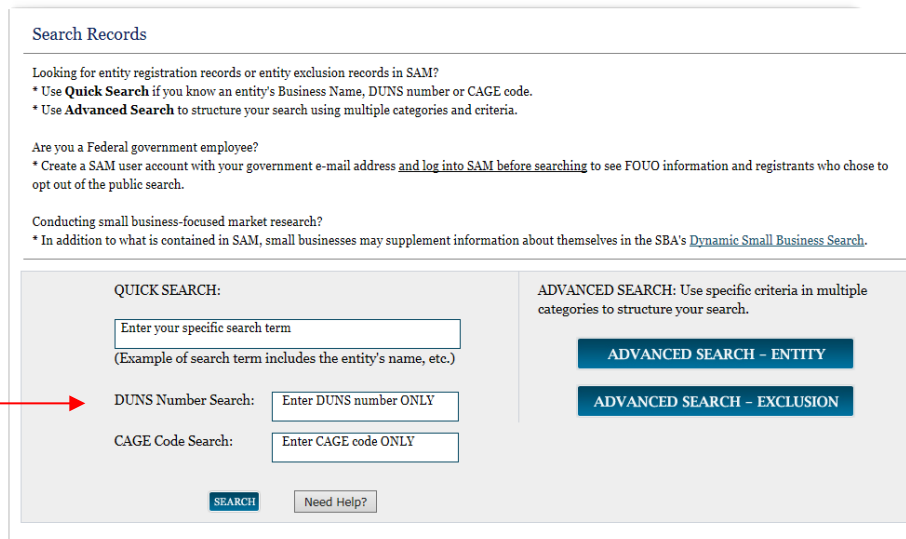
Once registered, each applicant must access SAM, determine that the applicant is eligible within SAM, and provide a print out of the information from SAM. Each applicant must also provide documentation that they are registered in the SAM using the DUNS number entry (refer to the check your registration status in SAM) the last illustration.

Applicant must run a query at the System for Award Management website ([www.sam.gov](http://www.sam.gov)) at the time of application and include a copy of the search record showing the DUNS Number and/or search terms and date. This information must be provided within the application and labeled as "Exhibit N".

1. Using your internet browser, navigate to [www.sam.gov](http://www.sam.gov)



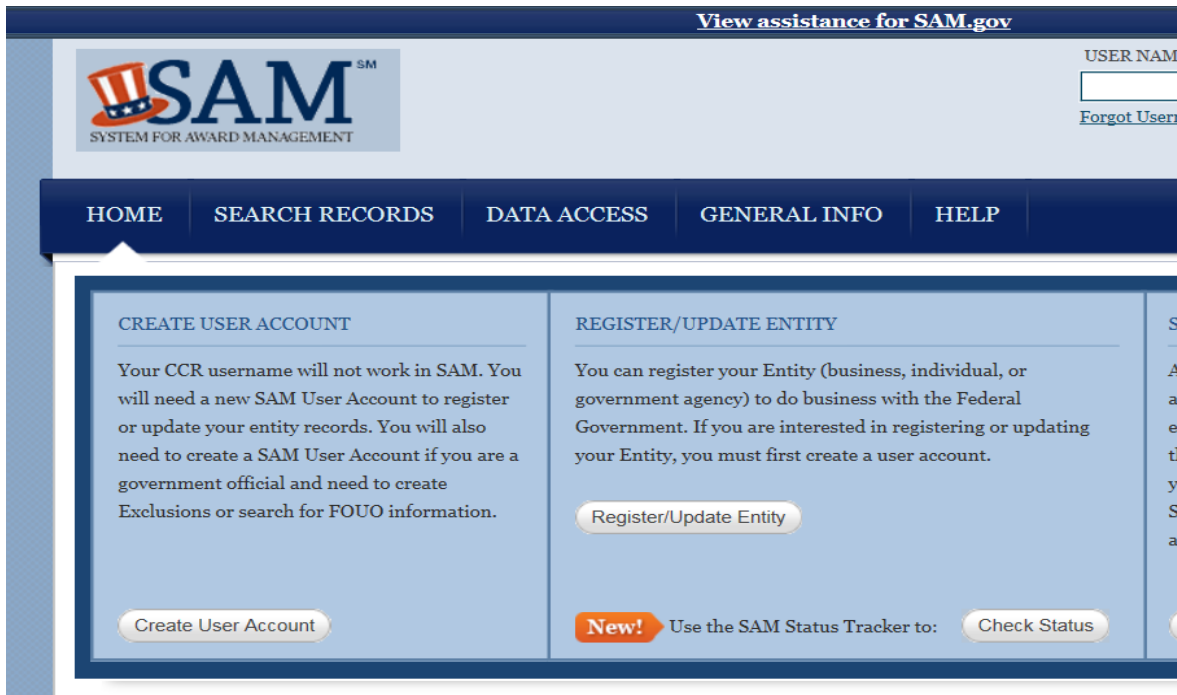
2. Select "Search Records", enter the DUNS number, and click "Search".



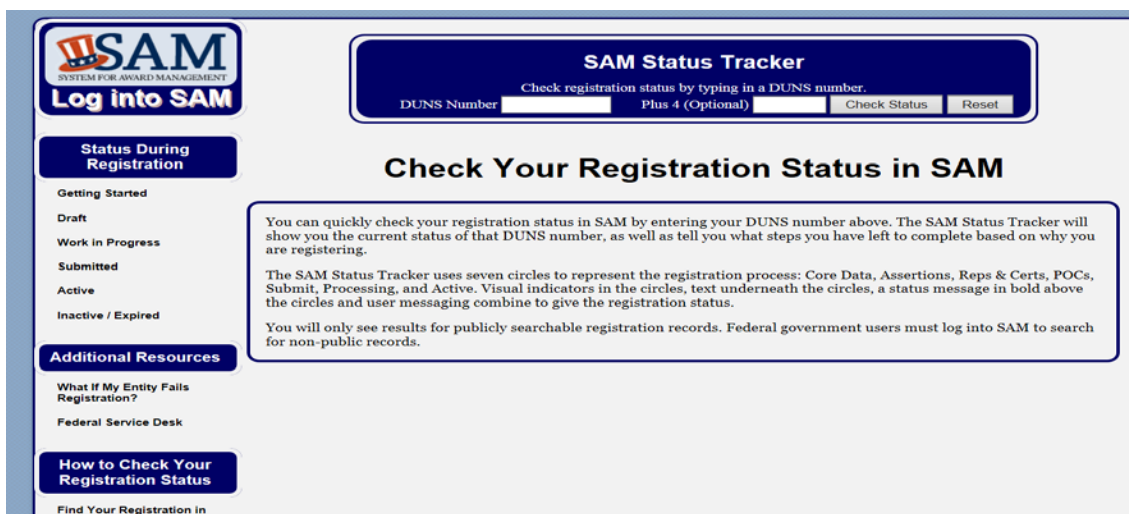
- Review the search results and click "Print" to print the results. **Your printed copy should include a date stamp at the bottom of the page.**



- If you need to register in the SAM, click Create User Account. The applicant must Check Status and submit a printout of Status, which must be an active status as the last screen indicates



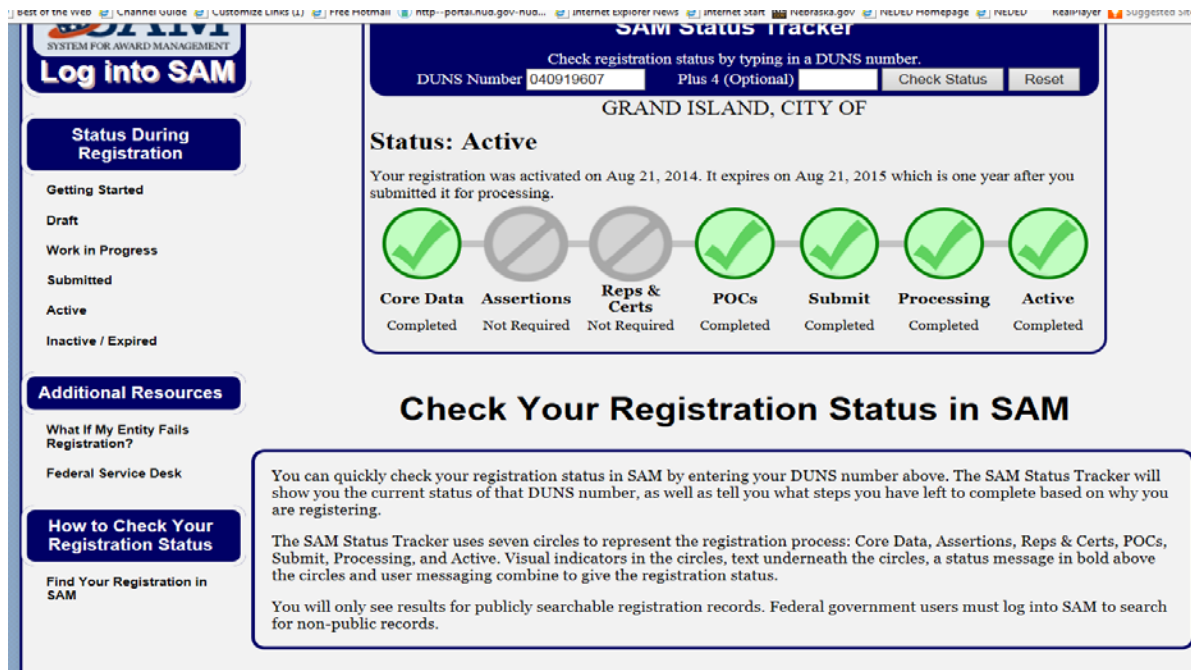
- Check your registration status in the SAM by entering applicant nine digit DUNS number. If result is not active, create a user account. If result is inactive, reactive user account.



## EXHIBIT N



6. Submit a screen print out of the SAM status tracker that indicates active status for the applicant. The applicant must be in an active status as determined by DUNS number entry.



The final Exhibit N that the applicant must submit with their application must contain:

- 1) Proof of SAM Registration (See Item 6 above) and
- 2) Proof that the applicant is eligible in SAM (See Item 5 above)

**EXHIBIT N**

**FOUR FACTOR ANALYSIS**  
**ASSESSING**  
**LIMITED ENGLISH PROFICIENCY**  
**AND**  
**LANGUAGE ASSISTANCE PLAN**

**PREPARED BY**  
[APPLICANT]

**FOR**  
**HOUSING TRUST FUND (HTF) PROGRAM**

**EXHIBIT O-1**

## A. POLICY STATEMENT

It is the policy of the [APPLICANT] to take reasonable steps to provide meaningful access to its programs and activities for persons with Limited English Proficiency (LEP). The [APPLICANT]'s policy is to ensure that staff will communicate effectively with LEP individuals, and LEP individuals will have access to important programs and information. [APPLICANT] is committed to complying with federal requirements in providing free meaningful access to its programs and activities for LEP persons.

## B. HISTORY

Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who have Limited English Proficiency can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

On August 11, 2000, Executive Order 13166, titled, "Improving Access to Services by Persons with Limited English Proficiency," was issued. Executive Order 13166 requires federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to LEP cannot fully and equally participate in or benefit from those programs and activities. Section 2 of the Executive Order 13166 directs each federal department or agency "to prepare a plan to improve access to...federally conducted programs and activities by eligible LEP persons...."

## C. DEFINITIONS

Beneficiary: The ultimate consumer of HUD programs and receives benefits from a HUD Recipient or Sub-recipient.

Limited English Proficient Person (LEP): Individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English because of national origin.

Language Assistance Plan (LAP): A written implementation plan that addresses identified needs of the LEP persons served.

Recipient: Any political subdivision of the State of Nebraska, or an eligible nonprofit organization, to whom Federal financial assistance is extended for any program or activity, or who otherwise participates in carrying out such program or activity, including any successor, assign or transferee thereof, but such term does not include any Beneficiary under any such program.

Sub-recipient: Any public or private agency, institution, organization, or other entity to whom Federal financial assistance is extended, through another Recipient, for any program or activity, or who otherwise participates in carrying out such program or activity but such term does not include any Beneficiary under any such program.

Vital Document: Any document that is critical for ensuring meaningful access to the Recipient's major activities and programs by Beneficiaries generally and LEP persons specifically.

## EXHIBIT O-1

#### **D. FRAMEWORK & METHODOLOGY**

This Four Factor Analysis is the first step in providing meaningful access to federally funded programs for LEP persons. The Four Factor Analysis completed by [APPLICANT] addresses the following:

1. The number or proportion of LEP persons eligible to be serviced or likely to be encountered by [APPLICANT];
2. The frequency with which LEP persons using a particular language come in contact with [APPLICANT];
3. The nature and importance of the [APPLICANT] program or activity provided to the individual's life; and
4. The resources available to [APPLICANT], and costs associated with providing LEP services.

#### **E. FOUR FACTOR ANALYSIS**

- 1. The number or proportion of LEP persons eligible to be served or likely to be encountered by [APPLICANT].**

[Response to Item #1]

- 2. The frequency with which LEP persons using a particular language come in contact with [APPLICANT].**

[Response to Item #2]

- 3. The nature and importance of the [APPLICANT] program or activity provided to the individual's life.**

[Response to Item #3]

- 4. The resources available to [APPLICANT], and costs associated providing LEP services.**

[Response to Item #4]

As a result of the Four Factor Analysis, [APPLICANT] has determined a Language Assistance Plan is needed:

YES  NO

## LANGUAGE ASSISTANCE PLAN [OPTIONAL]

As a result of the preceding Four Factor Analysis, [APPLICANT] has developed a Language Assistance Plan. The Language Assistance Plan addresses the identified needs of the LEP persons [APPLICANT] serves, the process by which v will monitor and update the LAP.

[APPLICANT] understands that the actions [APPLICANT] is expected to take to meet its LEP obligations depend upon the results of the Four Factor Analysis including the services [APPLICANT] offers, [APPLICANT]'s service area, the resources [APPLICANT] possesses, and the costs of various language service options. However, [APPLICANT] is to take reasonable steps to ensure meaningful access to LEP persons. The meaningful access is based upon a reasonableness standard that is both flexible and fact-dependent.

- 1. The procedures [APPLICANT] will use to identify LEP persons with whom [APPLICANT] has contact, the size of LEP populations, and the languages of LEP populations.**

[Response to Item #1]

- 2. Points and types of contact [APPLICANT] may have with LEP persons.**

[Response to Item #2]

- 3. Ways in which language assistance will be provided by [APPLICANT], and the plan for outreach to LEP populations.**

[Response to Item #3]

- 4. [APPLICANT]'s plan for training staff members on LEP guidance and the LAP, including specific provisions for training staff that are responsible for monitoring Recipients of HUD funding.**

[Response to Item #4]

- 5. A list of Vital Documents to be translated, the languages into which they will be translated and the timetable for translations.**

[Response to Item #5]

- 6. [APPLICANT]'s plan for translating informational materials that detail services and activities provided to Beneficiaries and [APPLICANT]'s plan for providing appropriately translated notices to LEP persons.**

[Response to Item #6]

- 7. [APPLICANT]'s plan for providing interpreters for large, medium, small and one-on-one meetings.**

[Response to Item #7]

- 8. [APPLICANT]'s plan for developing community resources, partnerships, and other relationships to help with the provision of language services.**

[Response to Item #8]

9. [APPLICANT]'s plan for monitoring and updating the LAP.

[Response to Item #9]

**AVAILABLE LEP RESOURCES**

HUD Frequently Asked Questions on the Final LEP Guidance:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq)

HUD's LEP Website:

<http://www.hud.gov/offices/fheo/lep.xml>

Federal LEP Website:

<http://www.lep.gov/>

LEP and Title VI Videos:

<http://www.lep.gov/video/video.html>

"I Speak" Card:

<http://www.lep.gov/ISpeakCards2004.pdf>

**COMPLAINTS**

If you believe that you have been denied the benefits of this Language Assistance Plan, you may file a written complaint by mail to:

[APPLICANT]

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following address (or as otherwise directed by HUD):

Betty J. Bottiger  
Director, Region VII Office of Fair Housing and Equal Opportunity  
U. S. Department of Housing and Urban Development  
400 State Avenue  
Kansas City, Kansas 66101-2406  
[Betty.Bottiger@hud.gov](mailto:Betty.Bottiger@hud.gov)

**NON-PROFIT OR PUBLIC HOUSING AUTHORITY APPLICANT  
CERTIFICATION FORM**

WHEREAS, \_\_\_\_\_ (the "Applicant") is applying to the State of Nebraska for assistance from the Nebraska Affordable Housing Program; and WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

THEREFORE, APPLICANT certifies as follows:

1. APPLICANT is eligible for award under state statutes and program guidelines and agrees to comply with all applicable federal, state and local regulations in the event that this application is selected for funding.
2. APPLICANT will minimize displacement as a result of activities assisted with Housing Trust Fund (HTF) resources and assist persons displaced as a result of such activities as specified by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 49 CFR part 24. The more limited requirements of Section 104(d) of Housing and Community Development Act of 1974 are more detailed as to policy, definitions and requirements listed in 24 CFR 570.606.
3. APPLICANT has previously adopted, on \_\_\_\_\_, \_\_\_\_\_ **Procurement Procedures** that remain in effect. The procurement procedures were submitted to DED on \_\_\_\_\_, \_\_\_\_\_.
4. APPLICANT will actively market in an on-going manner all housing units and services funded through the Housing Trust Fund Program.
5. APPLICANT is prepared and has the authority within its charter or by-laws or through statutory regulations to enter into a contractual agreement with the Nebraska Department of Economic Development for acceptance and use of Housing Trust Fund Program moneys, and makes this application and these certifications with the full cognizance (and approval) of its governing body.
6. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government, which would adversely affect the administration of this grant.
7. No legal actions are underway or being contemplated that would significantly impact the Applicant's capacity to effectively administer the program, and to fulfill the HTF program; and
8. No project costs have been incurred which the Department has not approved in writing.

Signed: \_\_\_\_\_  
(Officer)  
Name: \_\_\_\_\_  
  
Title: \_\_\_\_\_  
  
Date: \_\_\_\_\_

**Use the language in this sample form and provide an original signature of applicant certification.**

**EXHIBIT Q-1**

**APPLICANT CERTIFICATION OF RENTAL PROJECT FEDERAL ASSISTANCE FORM**

WHEREAS, \_\_\_\_\_ (the "Applicant") is applying to the State of Nebraska for assistance from the Housing Trust Fund (HTF) to finance a portion of the project costs for \_\_\_\_\_ (the "Project"); and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the project requirements;

THEREFORE, APPLICANT certifies as follows:

- 1. PROJECT is eligible for award under state statutes and HTF application guidelines.
- 2. PROJECT will receive additional financing at the time of application or in the future from the following governmental assistance

--

(if none, please indicate)

- 3. APPLICANT will notify the Nebraska Department of Economic Development within 30 days of the applicant's knowledge of actual or potential changes in governmental assistance. Amended financing and budget forms submitted with the application affected by the change in other governmental assistance and the type and amount of assistance will be provided. In addition, applicant understands that any such changes may result in the non-selection of the application, termination or amendment of a contractual agreement with the department, significant delay in the DED approval of the project to proceed, and/or significant delay of pending Requests for DED Funds.
- 4. APPLICANT is prepared and has the authority within its charter or by-laws or through statutory regulations to enter into a contractual agreement with the Nebraska Department of Economic Development for acceptance and use of Housing Trust Fund Program moneys, and makes this application and these certifications with the full cognizance (and approval) of its governing body.

Signed: \_\_\_\_\_  
(Officer)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Use the language in this sample form and provide an original signature of applicant certification.**



**Sample Resolution**

**AUTHORIZATION TO SUBMIT APPLICATION (S) AND  
ENTER INTO AGREEMENT FOR NEBRASKA AFFORDABLE HOUSING PROGRAM  
RESOLUTION NO \_\_\_\_\_**

A resolution of the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) authorizing the submission of an application(s) for 2018 Housing Trust Fund (HTF) Program Funds, certifying that said application(s) meets the community's housing and community development needs and the requirements of the HTF Program, and authorizing all actions necessary to implement and complete the activities outlined in said application.

WHEREAS, the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) is desirous of undertaking affordable housing development activities; and

WHEREAS, the State of Nebraska is administering the Housing Trust Fund Program; and

WHEREAS, the Housing Trust Fund Program requires that funds benefit low-income households; and

WHEREAS, the activity in the application addresses the proposed project area's low-income population housing needs; and

WHEREAS, a recipient of Housing Trust Fund Program is required to comply with the program guidelines and State regulations.

NOW, THEREFORE BE IT RESOLVED THAT the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) authorize application to be made to the State of Nebraska, Department of Economic Development for 2018 Housing Trust Fund Program, and authorize (NAME AND POSITION OF INDIVIDUAL) to sign application and contract or grant documents for receipt and use of these funds, and authorize the (NAME AND POSITION OF INDIVIDUAL) to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT, the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) will comply with all State regulations and Housing Trust Fund Program policies.

Passed and adopted by the (AUTHORIZING BOARD) of (ORGANIZATION OR AGENCY) this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

\_\_\_\_\_  
Chairperson, President or Authorized Person of Organization

\_\_\_\_\_  
Date Signed

**Use the language in this sample resolution and provide an original signature or a certified copy of the resolution.**

Attach the certification from the Secretary of State's website at:  
<http://www.sos.ne.gov/dyindex.html>

Address and label it as Exhibit T

**EXHIBIT T**

## Appendix B – PROFORMA and PROJECT DESIGN

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Proposed Rental Project Design must contain the following information. Project Design must include a table of contents.

- a) Maximum Per Unit Subsidy - Describe how the HTF assistance requested will not exceed the Maximum per unit HTF Subsidy. A listing of subsidy limits by county and adjusted for bedroom size can be found at <https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>. HTF financial assistance must not exceed maximum HTF per unit subsidy;
- b) All HTF-assisted units must be affordable and limited to households at or below 30% of the AMI;
- c) Rent Limits – Rents for HTF-assisted units must comply with the 30% HTF Rent Limits as identified at <https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>. All net monthly rents must be calculated by taking the gross monthly rent per unit and subtracting any tenant paid utilities. Provide the rent limits for the county in which the project is located in as an attachment with the Unit Information Spreadsheet;
- d) Income Limits - Household incomes for HTF-assisted units must follow HTF income limits, as defined by HUD. Please attach the HTF income limits with the appropriate incomes circled for all family sizes. The HTF income limits for AMI at or below 30% can be found at: <https://opportunity.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>;
- e) Enforcement of Rent and Income Limits - Explain how rent and income restrictions will be enforced through deed restrictions, covenants running with the land, or other mechanisms that are not affected by the term of the mortgage or transfer of ownership. Explain the strategies that will be used to enforce these restrictions and ensuring that property managers are aware of all HTF rent, income, property standards, and reporting requirements throughout the HTF affordability period. Describe how this threshold will be met and complete the Unit Information Spreadsheet as part of Appendix B;
- f) Affordability Period - The HTF-assisted units are subject to a minimum 30-year affordability period. Describe the length of the affordability period for your project and describe how the project will be managed as affordable for the length of the affordability period;
- g) Describe how the program will be in compliance with the Fair Housing Act, including narrative with specific reference to all areas of the Fair Housing Act that are applicable to the project;
- h) Describe affirmative marketing procedures including, but not limited to, marketing to local or regional residents & tenants of public housing agencies, and households identified to be potentially eligible but least likely to apply. See: <http://portal.hud.gov/hudportal/documents/huddoc?id=935-2a.pdf>;
- i) All purchased or rehabilitated units assisted with HTF funds must be able to meet the Department's Minimum Rehabilitation Standards. A copy of the Department's Standards can be found online at: <https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>. Please include a copy in the application, if applicable;
- j) All projects must comply with HUD's lead-based paint regulation requirements. Please include the lead-based paint/rehabilitations procedures with the application;
- k) All rehabilitation, acquisition, and new construction activities must be completed within 24 months. Please reflect this information in your Implementation Schedule for the project;
- l) Commitment of all other investors must be shown at the time of application. Please include Letters of Commitment from all other investors in your application;
- m) Conduct annual review of rents, utility allowances, and annual certifications of tenant incomes of NAHP-assisted units. Income certification must be completed at move in and a self-certification must be completed during the remainder of the affordability period;
- n) Applicant must have a Tenant Selection Policy;
- o) Applicant must have clearly defined Tenant Rules and Regulations;
- p) Applicant must have a Proposed Lease Agreement. The lease agreement cannot contain any prohibited provisions either explicitly stated or implied. For a list of prohibited provisions review the HOME Administration Manual Chapter 5-Rental Housing-Leases;
- q) Tenant education is required. For tenants: RentWise-Nebraska tenant education program or a Department approved equivalent; and

- r) Assurance that a washer and dryer will be included in every unit for new construction projects. For rehabilitation projects (if feasible), assurance that a washer and dryer will be included in every unit, and if not feasible (i.e. size of rehabilitated units will not provide space for washer and dryer) then an on-site laundry facility is required.
- s) Broadband Infrastructure: For a new construction housing project of a building with more than four (4) rental units, the construction must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the grantee determines and, in accordance with §93.407(a)(2)(iv), documents the determination that: the location of the new construction makes installation of broadband infrastructure infeasible; or the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden.

**The following requirements must be identified within the Application Pro Forma and Project Design Spreadsheets.**

The Pro Forma & Project Design Spreadsheets must show the project will be financially viable during the affordability period, based upon reasonable assumptions. In addition, the Pro Forma must show that the applicant partners were not unduly enriched. DED reserves the right to adjust the Pro Forma and Project Design Spreadsheets to reflect economic and/or market conditions as deemed appropriate. Please provide the excel document, instead of the PDF version.

**Unit Information**

- a) Identify the number of HTF and non-HTF units within the project. Include: bedrooms, units, tenant paid utilities, etc. as identified within the Unit Information Spreadsheet.

**Development Cost Schedule**

- b) Identify all development costs within the project using the Development Cost Schedule Spreadsheet.

**Sources and Uses**

- c) Identify all sources, uses, and any equity gap within the project using the Sources & Uses: Equity Gap Information Spreadsheet.

**Annual Operating Expense Information and Pro Forma**

- d) All income (including commercial income, residential income, etc.) must be clearly identified within the Annual Operating Expense Information Spreadsheet and within the Pro Forma Spreadsheet. All services or materials provided at a reduced cost or no cost basis must be reflected as both an income and an expense.
- e) All expenses (including reduced cost or no cost services, all partnership distributions, deferred developer fees, incentive management fees and repayment of loans as expenses etc.) must be clearly identified within the Annual Operating Expense Information Spreadsheet and within the Pro Forma Spreadsheet. All services or materials provided at a reduced cost or no cost basis must be reflected as both an income and an expense.
- f) Identify the rate of increase used to project income and project expenses per year. The rate of increase must be reasonable and under no circumstances can it be greater than the estimated project expenses.
- g) Stabilized vacancy rate must be 7-10%.
- h) Property management fees must be 5-10% of the Gross Potential Rents.
- i) The operating reserves must be equal to or greater than 6 months of operating expenses, including debt service.
- j) The replacement reserve payment schedule must be equal to or greater than \$300 per unit per year.
- k) The debt service coverage ratio must be no less than 1.15 in the first year. Monthly or annual debt service is not required.
- l) Debt service payments must meet all debt service obligations (must maintain a 1.0 DSCR throughout the affordability period).

**Pro-forma can be found on DED website at:**

<https://opportunity.nebraska.gov/program/national-housing-trust-fund-htf/>

## NOTICE OF PUBLIC HEARING & PUBLIC COMMENT PERIOD

The Nebraska Department of Economic Development (DED) will conduct a public comment period, which includes public hearings on the *Proposed 2018 Annual Action Plan and Appendix*. The plan concerns the distribution of approximately \$16.8 million in Community Development Block Grant (CDBG) funds, \$4.2 million in HOME Investment Partnerships Program funds, \$7.8 million in National Housing Trust Funds (HTF), \$940,000 in Emergency Solutions Grant Program (ESG) funds, and \$480,000 in Housing Opportunities for Persons with AIDS (HOPWA) funds from the U.S. Department of Housing and Urban Development (HUD). In addition, approximately \$3.6 million in Homeless Shelter Assistance Trust Fund (HSATF) funds, and \$11.2 million in Nebraska Affordable Housing Trust Fund (NAHTF) resources as referenced.

The *Proposed 2018 Annual Action Plan and Appendix* describes program funding, national and state objectives, application schedules, eligible activities, and selection criteria for projects. Copies of the *Proposed 2018 Annual Action Plan and Appendix* will be available electronically, at the listed libraries below, and at the public hearing sites for review during the dates noted below. Copies can be requested by contacting Lori Cole, Office Manager, at (800) 426-6505 or (402) 471-3746, or by emailing her at [lori.a.cole@nebraska.gov](mailto:lori.a.cole@nebraska.gov).

**The public comment period is April 3, 2018, through May 4, 2018, at 11:59 pm Central Time.**

Public Hearings will be held as follows:

### **Tuesday, April 3, 2018**

Lincoln (10am CT): Nebraska State Office Building, Lower Level B, 301 Centennial Mall South Lincoln, NE

Kearney (10am CT): Vocational Rehabilitation Services, 315 W. 60<sup>th</sup> St. Suite 400 Kearney, NE

Norfolk (10am CT): Norfolk Public Library, Children's Room, 308 W. Prospect Ave. Norfolk, NE

Scottsbluff (10am MT): Nebraska Department of Labor, 505A Broadway Suite 300 Scottsbluff, NE

Website Streaming (10am CT/ 9am MT): To access: <https://opportunity.nebraska.gov/events>

Beginning March 26, 2018 an electronic copy of the *Proposed 2018 Annual Action Plan and Appendix* will be available on the Department's website, <https://opportunity.nebraska.gov/AAP>. On March 29, 2018, a printed copy for review of the *Proposed 2018 Annual Action Plan and Appendix* will also be available at the following locations:

Alliance Public Library, 1750 Sweetwater St., Alliance, NE  
Auburn Memorial Library, 1810 Courthouse Ave., Auburn NE  
Bennett Martin Public Library, 136 S. 14th St., Lincoln, NE  
Central City Public Library, 1604 15th Ave., Central City, NE  
Chadron Public Library, 507 Bordeaux St., Chadron, NE  
Garfield County Library, 217 G St., Burwell, NE  
Goodall City Library, 203 W. "A" St., Ogallala, NE  
Jensen Memorial Library, 443 N. Kearney Ave., Minden, NE  
Lexington Public Library, 907 N. Washington St., Lexington, NE  
Lied Scottsbluff Public Library, 1809 3rd Ave., Scottsbluff, NE  
McCook Public Library, 802 Norris Ave., McCook, NE  
Sidney Public Library, 1112 12th Ave., Sidney, NE  
Thomas County Library, 501 Main St., Thedford, NE  
Valentine Public Library, 324 N. Main St., Valentine, NE  
Wayne Public Library, 410 Pearl St. Suite A, Wayne, NE  
W. Dale Clark Library, 215 S. 15th St., Omaha, NE

Mail written comments by May 4, 2018, 11:59 pm CT to: Abigail Anderson, Nebraska Department of Economic Development, P.O. Box 94666, Lincoln, NE 68509-4666, or email: [abigail.anderson@nebraska.gov](mailto:abigail.anderson@nebraska.gov). Comments will be accepted beginning April 3, 2018. Individuals requiring sensory accommodations, including interpreter services, Braille, large print, or recorded materials should contact Abigail Anderson.

Los individuos no hablan Inglés y los individuos con discapacidad podrán solicitar las ayudas y servicios auxiliares necesarios para la participación de contacto con el Departamento de Desarrollo Económico PO Box 94666, Lincoln, Nebraska 68509-4666, o [abigail.anderson@nebraska.gov](mailto:abigail.anderson@nebraska.gov).

**CONTACT** Kate Ellingson at 800-426-6505, 402-471-3749 or [kate.ellingson@nebraska.gov](mailto:kate.ellingson@nebraska.gov)

## **FOR IMMEDIATE RELEASE**

### **Notice of Public Comment Period**

**September 25, 2018 (Lincoln, NEB.)** – The Nebraska Department of Economic Development (DED) will open a public comment period regarding its 2018 Annual Action Plan, due to proposed changes in the method of distribution primarily related to the National Housing Trust Fund (HTF).

The 2018 Annual Action Plan describes annual program priorities and strategies, program goals and objectives, and the allocation and method of distribution of programs. The Plan concerns the distribution of approximately \$16.8 million in Community Development Block Grant (CDBG) funds, \$4.2 million in HOME Investment Partnerships Program funds, \$7.8 million in National Housing Trust Funds (HTF), \$941,000 in Emergency Solutions Grant Program (ESG) funds, and \$480,000 in Housing Opportunities for Persons with AIDS (HOPWA) funds from the U.S. Department of Housing and Urban Development (HUD). In addition, approximately \$3.6 million in Homeless Shelter Assistance Trust Fund (HSATF) funds and \$11.2 million in Nebraska Affordable Housing Trust Fund (NAHTF) resources as referenced.

The proposed substantial amendment to the 2018 Annual Action Plan will be available electronically beginning on October 1, 2018, at <https://opportunity.nebraska.gov/reports>. Copies can be requested by contacting Lori Cole, Office Manager, at 800-426-6505 or 402-471-3746, or via email at [lori.a.cole@nebraska.gov](mailto:lori.a.cole@nebraska.gov).

**The public comment period is open October 2, 2018, through October 31, 2018, at 11:59 p.m. Central Time.**

Comments will be accepted October 2-31, 2018. All comments must be received by the Department before the close of the public comment period. Mail written comments to: Rebecca Schademann, Nebraska Department of Economic Development, P.O. Box 94666, Lincoln, NE 68509-4666, or email: [ded.publiccomment@nebraska.gov](mailto:ded.publiccomment@nebraska.gov). Individuals requiring sensory accommodations, including interpreter services, Braille, large print, or recorded materials, should contact Rebecca Schademann.

Los individuos no hablan Inglés y los individuos con discapacidad podrán solicitar las ayudas y servicios auxiliares necesarios para la participación de contacto con el Departamento de Desarrollo Económico PO Box 94666, Lincoln, Nebraska 68509-4666, o [Rebecca.Schademann@nebraska.gov](mailto:Rebecca.Schademann@nebraska.gov).



**U.S. Department of Housing and Urban Development**

Omaha Field Office  
Edward Zorinsky Building  
1616 Capitol Avenue, Suite 329  
Omaha, Nebraska 68102-4908

April 2, 2019

Mr. Dave Rippe  
Nebraska Department of  
Economic Development  
301 Centennial Mall South  
Lincoln, NE 69509-4666

Dear Mr. Rippe:

This letter is in response to your March 21, 2019, correspondence requesting a waiver of the Consolidated Planning regulations regarding citizen participation requirements for the amendment of the State's 2018 Annual Action Plan.

The State of Nebraska has recently experienced extreme weather, which included a severe winter storm, straight-line winds, and wide-spread flooding that have displaced a significant number of people from their homes and businesses. As a result, a Presidential Major Disaster Declaration was declared on March 21, 2019.

Per the Consolidated Planning regulations at 24 CFR 91.115(c)(2), "The citizen participation plan must provide residents and units of general local government with reasonable notice and an opportunity to comment on consolidated plan substantial amendments and any revision to the AFH. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, of not less than 30 calendar days, to receive comments on the consolidated plan substantial amendment or revision to the AFH before the consolidated plan substantial amendment is implemented or the revised AFH is submitted to HUD." In addition, per the regulations at 24 CFR 91.115(i), "The State must follow its citizen participation plan."

The State's waiver request specifically sought a reduction in the length of the public comment period required for an amendment, from thirty days to seven days, in order to more quickly address the disaster-related needs across the state.

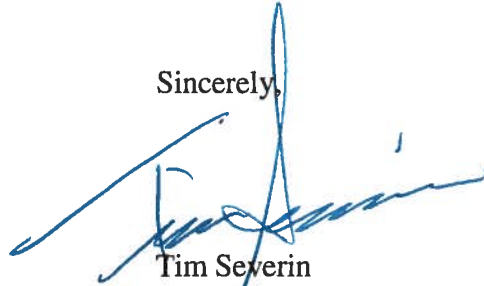
Pursuant to HUD's authority under 24 CFR 5.110 and 24 CFR 91.600, the 30-day comment period (as required per 24 CFR 91.115(c)(2) and (i)) is hereby waived and the comment period is reduced to seven days. In reducing the comment period to seven days, HUD is balancing the need to quickly assist families dealing with the after-effects of the disaster while continuing to provide reasonable notice and opportunity for citizens to comment on the proposed use of funds.



This waiver applies to the State of Nebraska's program year 2018 unobligated funds and any prior-year funds that have been de-obligated as of the date of this waiver (April 2, 2019). Provisions that are not specifically waived remain fully effective.

Should you have any questions regarding this matter or need further assistance, please contact Ms. Teri Robertson, Senior Community Planning and Development Representative, at 402/492-3149 or [teri.k.robertson@hud.gov](mailto:teri.k.robertson@hud.gov).

Sincerely,



Tim Severin  
Director  
Community Planning and  
Development Division

cc: Steve Charleston

**CONTACT** Kate Ellingson at 800-426-6505, 402-471-3749 or [kate.ellingson@nebraska.gov](mailto:kate.ellingson@nebraska.gov)

## **FOR IMMEDIATE RELEASE**

### **NOTICE OF PUBLIC COMMENT PERIOD**

**April 19, 2019 (LINCOLN, NEB.)** – The Nebraska Department of Economic Development (DED) will open a public comment period regarding a proposed substantial amendment to its 2018 Annual Action Plan. This is due to proposed changes in the method of distribution (primarily related to the Community Development Block Grant [CDBG] program) intended to address needs created by the recent disaster.

The 2018 Annual Action Plan describes annual program priorities and strategies, program goals and objectives, and the allocation and method of distribution for programs. The Plan concerns the distribution of approximately \$16.8 million in CDBG program funds; \$4.2 million in HOME Investment Partnerships program funds; \$7.8 million in National Housing Trust Funds (HTF) program funds; \$941,000 in Emergency Solutions Grant (ESG) program funds; and \$480,000 in Housing Opportunities for Persons with AIDS (HOPWA) program funds from the U.S. Department of Housing and Urban Development (HUD). This is in addition to approximately \$3.6 million in Homeless Shelter Assistance Trust Fund (HSATF) funds and \$11.2 million in Nebraska Affordable Housing Trust Fund (NAHTF) resources, as referenced.

The proposed substantial amendment to the 2018 Annual Action Plan will be available electronically beginning on April 23, 2019, at <https://opportunity.nebraska.gov/reports>. Copies can be requested by contacting Lori Cole, Office Manager, at 800-426-6505 or 402-471-3746, or via email at [lori.a.cole@nebraska.gov](mailto:lori.a.cole@nebraska.gov).

**The public comment period is open April 24, 2019, through May 1, 2019, at 11:59 p.m. Central Time.**

Comments will be accepted April 24 – May 1, 2019. All comments must be received by the Department before the close of the public comment period. Mail written comments to: Nebraska Department of Economic Development, Attn: 2018 AAP Substantial Amendment, P.O. Box 94666, Lincoln, NE 68509-4666; or, email: [ded.publiccomment@nebraska.gov](mailto:ded.publiccomment@nebraska.gov). Individuals requiring sensory accommodations, including interpreter services, Braille, large print or recorded materials, should contact Rebecca Schademann at 402-471-3172 or [rebecca.schademann@nebraska.gov](mailto:rebecca.schademann@nebraska.gov).

Los individuos no hablan Inglés y los individuos con discapacidad podrán solicitar las ayudas y servicios auxiliares necesarios para la participación de contacto con el Departamento de Desarrollo Económico PO Box 94666, Lincoln, Nebraska 68509-4666, o [rebecca.schademann@nebraska.gov](mailto:rebecca.schademann@nebraska.gov).