

2020

NEBRASKA AFFORDABLE HOUSING TRUST FUND

QUALIFIED ALLOCATION PLAN FINAL

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
EFFECTIVE JULY 1, 2020 - JUNE 30, 2021
(2020 PROGRAM YEAR)



NEBRASKA
Good Life. Great Opportunity.
DEPT. OF ECONOMIC DEVELOPMENT

FINAL - NAHTF 2020 QAP

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Introduction

The Nebraska Affordable Housing Trust Fund (NAHTF) was established by the Nebraska Affordable Housing Act (Neb. Rev. Stat. §§58-701 through 58-711) in 1996. The Act, which was adopted to address the state's affordable housing needs, called for a portion of the documentary stamp tax from Nebraska real estate transactions to be transferred to the NAHTF. These funds are distributed to support the provision of decent, affordable housing statewide, to encourage economic development and promote the general prosperity of all Nebraskans.

As stipulated by the Act, the Nebraska Department of Economic Development (DED) is required to develop an annual Qualified Allocation Plan (QAP) concerning the distribution of NAHTF resources throughout the state. DED developed the 2020 proposed QAP with significant input by participation with *Blueprint Nebraska*, which included businesses, communities, statewide housing partners, developers, nonprofit organizations, public agencies, community action agencies, development districts, and public housing authorities.

Nebraska Commission on Housing and Homelessness (NCHH)

Recognizing the strong link between housing, homelessness, and near homeless issues, the Nebraska Commission on Housing and Homelessness (NCHH) was established by Executive Order 98-4 in 1998. It consolidated the work of the Nebraska Affordable Housing Commission, the Nebraska Interagency Council on the Homeless, and the Affordable Housing Trust Advisory Committee.

The Commission's functions are to make recommendations to DED and the Nebraska Department of Health and Human Services (DHHS) regarding the operation of the NAHTF and the Homeless Shelter Assistance Trust Fund (HSATF), respectively; to serve as an advisory body on housing and homelessness; to assist with education, advocacy, coordination, and cooperation; and integrate recommendations from Nebraska's 2020-2024 Consolidated Plan and 2020 Annual Action Plan (for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Housing Trust Fund (HTF), Emergency Solutions Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) with other statewide strategic planning initiatives that involve affordable housing, homelessness, and other housing issues.

DED provides an update of the NAHTF program and receives input at each quarterly NCHH meeting. Changes for the 2020 program year were specifically discussed at the September 9, 2019 Policies and Issues Committee and NCHH Commission meetings. The draft, proposed 2020 QAP was presented at the November 25, 2019 NCHH Commission meeting. Discussion was held, input gathered and considered for the Proposed NAHTF 2020 QAP posted for public comment period.

Public Comment Process

The proposed QAP for 2020 was made available for a 30-day public comment period beginning on December 3, 2019. A public hearing was conducted on December 12, 2019 at the DED offices in Lincoln, Nebraska. All verbal comments received at the public hearing and written comments submitted to DED during the public comment period were taken into consideration while completing the final 2020 NAHTF QAP. These comments are included as Attachment 3.

Housing Priorities

The impetus for the Nebraska Affordable Housing Act was the realization that impediments existed to the construction and rehabilitation of affordable housing throughout the State. Increasing development and construction costs and affordable housing financing challenges were impacting the ability of communities

to address their housing needs. Existing dilapidated housing stock and industrial buildings were determined to be detrimental to new affordable housing development and the general health and safety of people living and working in or around such places.

Nebraska's significant need for housing, across the state and across the spectrum of incomes and housing types, continues to be a major concern among area businesses, community leaders, developers, nonprofit organizations, and members of the public. It is well known that safe, adequate, available, and affordable housing is crucial to the viability of communities and businesses, influencing their ability to recruit workers, grow the population, retain residents and pursue economic development opportunities.

During 2018 and 2019, *Blueprint Nebraska*, a diverse statewide partnership, gathered feedback, opinions and ideas through surveys, a steering committee and 16 Industry Councils. DED staff participated in the *Blueprint Nebraska* efforts and served on several of the Industry Councils including the Community Vitality Council and the Housing Council. Housing needs were identified in nearly all of the Councils. Lack of housing and housing options is limiting the ability of businesses and communities to grow. *Blueprint Nebraska* identified fifteen initiatives overall. The Housing Initiative, **Build 30,000 to 50,000 achievable, livable housing units by 2030** is an aggressive but necessary goal. In an effort to impact this need for new housing units, the Department has determined Workforce Housing Investment Projects to be of critical importance.

As a result of the devastating flooding in the state in 2019, eighty-four of Nebraska's ninety-three counties have disaster impacts. Disaster Recovery efforts are a priority for the state in 2020. Disaster Recovery Housing projects are determined to be of critical importance.

The Nebraska Affordable Housing Trust Fund is a resource with a major a role in achieving this goal and enabling communities and businesses to address their housing needs. Priorities for the 2020 NAHTF program include:

- New affordable housing units for homebuyers
- New affordable rental housing units
- Preservation and rehabilitation of housing units
- Increasing homeownership opportunities

Nebraska's 2020-2024 Consolidated Plan for Housing and Urban Development (HUD) federal programs is under development. Housing continues to be a priority need for federal programs overseen by DED. NAHTF goals and priorities will be integrated in the 2020-2024 Consolidated Plan.

Allocation of Funds

DED anticipates a 2020 NAHTF program year allocation of \$10,300,000 for NAHTF activities, also known as government aid, all of which will be made available for distribution throughout the State for NAHTF-eligible activities. State Administration costs are estimated to be \$620,000 and are not reflected in the aid allocation.

Per the requirements of the Nebraska Affordable Housing Act, DED shall put forth its best effort to allocate no less than 30% of NAHTF monies each to Nebraska's three U.S. Congressional Districts (<https://www.census.gov/mycd/> refer to Attachment 1).

The table below outlines the proposed distribution of NAHTF funds for the 2020 program year:

Estimated NAHTF Government Aid Allocation		NAHTF Activities
\$9,270,000	Housing Funding Cycle(s) – 90% of Allocation Subject to Congressional District Distribution	
	\$9,150,000	Housing Projects
	\$120,000	Nonprofit Technical Assistance
\$1,030,000	Discretionary Funds - 10% of Allocation	
	\$1,000,000	Housing Projects
	\$30,000	Regional/Statewide Nonprofit Technical Assistance
	\$0	Match for Federal HOME Program*
\$10,300,000	Projected NAHTF Total Aid Allocation	

DED anticipates awarding 90%, or \$9,270,000 of the expected allocation of \$10,300,000 through the Housing Funding Cycle(s). This will result in \$3,090,000 to each congressional district for the 2020 program year. Generally, DED will award those grant applications that meet all threshold requirements and rank highest within their congressional district, pending the amount of funding available for that district per cycle.

The remaining 10%, or \$1,030,000, of discretionary funds are expected to be utilized within the NAHTF Housing Funding Cycle(s): \$1,000,000 for Housing Projects and \$30,000 for a statewide or regional technical assistance application serving more than one congressional district. Discretionary funds have no restriction with regard to congressional district distribution.

*Nebraska’s HOME match reserves will be utilized to meet the 2020 program year HOME 25% match requirement. NAHTF funds for the 2020 program year will not be directed as HOME match.

Funding Cycles and Limitations

NAHTF funding will be utilized in the annual competitive housing application cycle (i.e., funding cycle) that will include:

- Housing Projects
- Nonprofit Technical Assistance, one in each Congressional District
- Regional/Statewide Nonprofit Technical Assistance

The 2020 suggested maximum NAHTF award is \$500,000 for any Housing Project application in the annual cycle(s). The maximum Nonprofit Technical Assistance award is \$40,000 over a two-year period for the single congressional district and \$30,000 for one year when serving statewide, or more than one congressional district.

DED reserves the right to fund or not fund applications, to exceed the suggested maximums, to adjust award amounts and allocations among the categories to allow for flexibility to ensure congressional district distribution requirements, organizational capacity, urgent housing needs, or other geographic considerations. Any NAHTF funds remaining from the annual funding cycle or any additional funds may be used, at DED’s discretion, to increase any of the above-mentioned activities or in an additional funding cycle, such as a demonstration program, when determined necessary.

Application Process Summary

Preliminary applications (pre-applications) are required prior to the funding cycle application. This requirement provides DED the ability to offer technical assistance to applicants and to adequately plan for

application processing and scoring. A pre-application workshop is offered and recommended to prospective applicants for the Housing Funding Cycle. Technical assistance is also available at any time from DED housing program representatives (Attachment 2). The **2020 NAHTF pre-applications will be submitted electronically:** <https://ne.amplifund.com/Public/Opportunities/Details/c0f74911-da1b-4bb7-9b2e-445c3f9866b4>. Pre-applications must be submitted to DED electronically on or before the specified due date. **No hard copy pre-applications will be accepted.**

Application Guidelines are posted on the DED website prior to the funding cycle(s). The Application Guidelines include detailed program information, application instructions, and answers to common application-related questions. Guidelines and instructions for the use of electronic database, AmpliFund, will be available. Application workshops are offered, and participation is strongly recommended. The workshops include an overview of program changes; a review of the application process; application-related Q&A; scoring criteria review; and application writing guidance. The workshops provide an opportunity for prospective applicants, application preparers, developers, and housing organizations to collaborate with DED’s housing team. Prospective applicants are encouraged to work closely with their housing program representative (Attachment 2) while planning and preparing an application. The **2020 NAHTF applications will be submitted electronically:** <https://ne.amplifund.com/Public/Opportunities/Details/5ef3995c-4849-4969-a605-5217612a3b36>. Applications must be submitted to DED electronically on or before the specified due date. **No hard copy applications will be accepted.**

DED processes all applications, conducts a threshold review and a competitive scoring process. Clarifying information may be requested of applicants. When providing clarifying information, applications may not be changed and/or altered. Upon completion of scoring, award decisions are made. Applicants will receive letters of selection or non-selection, or other communication under special circumstances.

2020 NAHTF HOUSING FUNDING CYCLE PROPOSED TIMELINE	
<u>Anticipated Date</u>	<u>Action</u>
Monday, November 25, 2019	NCHH Meeting to Review Proposed 2020 QAP
Tuesday, December 3, 2019	Open Public Comment Period for QAP
Thursday, December 12, 2019	Public Hearing on QAP
Friday, January 3, 2020	QAP Public Comment Period Ends
Thursday, February 6, 2020	Final QAP Posted
Thursday, February 6, 2020	2020 NAHTF Application Guidelines Posted
Wednesday, February 19, 2020	2020 NAHTF Pre-Application Workshop (WebEx)
Thursday, March 12, 2020	2020 NAHTF Pre-Applications Due
Tuesday, March 24, 2020	2020 NAHTF Application Workshop (WebEx)
March 30, 2020 – April 10, 2020	2020 NAHTF Application Workshops (in person in each program rep region)
Thursday, April 16, 2020	2020 NAHTF Application Workshop (WebEx)
Wednesday, May 13, 2020	2020 NAHTF Applications Due

Eligible Applicants

Eligible applicants for NAHTF include:

- Governmental subdivisions
- Public housing authorities

- Community action agencies
- Community-based, neighborhood-based, or reservation-based nonprofit 501(c)(3) or 501(c)(4) organizations

For-profit entities working in conjunction with one of the other eligible applicant organizations are eligible for NAHTF funds. The eligible applicant organization must be the applicant for the NAHTF funds.

Eligible Activities

The activities listed below are eligible for NAHTF assistance, as provided in Section 58-706 of the Nebraska Affordable Housing Act:

- New construction, rehabilitation, or acquisition of housing to assist low-income and very low-income families;
- Matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families;
- Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
- Matching funds for operating costs for housing assistance groups or organizations, when such grants or loans will substantially increase the recipient's ability to produce affordable housing;
- Mortgage insurance guarantees for eligible projects;
- Acquisition of housing units for the purpose of housing preservation to assist low-income or very low-income families;
- Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
- Projects providing housing in areas determined by DED to be of critical importance to the continued economic development and well-being of the community, and where, as determined by DED, a shortage of affordable housing exists;
 - For the 2020 program year, Disaster Recovery Housing Projects and Workforce Housing Investment Projects are determined to be of critical importance and are included in the Housing Projects Funding Cycle.
- Infrastructure projects necessary for the development of affordable housing (support activity implemented in conjunction with the development of affordable housing only)
- Downpayment and closing cost assistance;
- Demolition of existing vacant, condemned, or obsolete housing or industrial buildings or infrastructure (support activity implemented in conjunction with the development of affordable housing only);
- Housing education programs developed in conjunction with affordable housing projects. Education programs must be directed toward:
 - Preparing potential homebuyers to purchase affordable housing; post-purchase education;
 - Target audiences eligible to utilize the services of housing assistance groups/organizations;
 - Developers interested in the rehabilitation, acquisition, or construction of affordable housing.
- Support for efforts to improve programs benefiting homeless youth;
- Vocational training in the housing and construction trades industries by nonprofit groups.

Matching Requirements

There is no match requirement for NAHTF Housing Projects or Nonprofit Technical Assistance applications.

Leverage

NAHTF resources are not intended to fund entire projects. Project financing beyond the NAHTF funds and any cash match, are considered leverage. Other project financing may include owner equity, bank financing, private investment, or other public funds. Homeowner mortgages and rental payments are not considered project financing, therefore are not leveraged funds. NAHTF projects that leverage other funds are capable of providing more housing opportunities and economic growth in the community.

Selection Criteria and Process

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

NAHTF applications are reviewed and competitively scored using the following scoring methodology:

SELECTION CRITERIA FOR HOUSING PROJECTS	
<u>Criteria</u>	<u>Points Possible</u>
Project Design	100
Need and Impact	100
Project Financing	125
Capacity and Collaboration	75
Disaster Recovery (must be reflected in narratives)	50
Affordability Period (5 years = 0 points, 6-9 years = 10 points, 10 or more years = 25 points)	25
New Units Created (1 unit = 5 points, not to exceed 25 points)	25
Matching Funds (Match ÷ Total NAHTF Award = %, 1% = .5 point)	50
Total Possible Points	550

SELECTION CRITERIA FOR NONPROFIT OR REGIONAL/STATEWIDE TECHNICAL ASSISTANCE	
<u>Criteria</u>	<u>Points Possible</u>
Goals and Work Plan	200
Impact on Housing Production	100
Sustainability	100
Organizational and Financial Management	100
Total Possible Points	500

In addition to the above scoring criteria, the NAHTF program legislation includes the following First Priorities:

- Serves the lowest income occupant
- Serves qualified occupants for the longest period of time
- Projects located wholly or in part within a designated Enterprise Zone, pursuant to the Enterprise Zone Act, Nebraska Revised Statutes §13-2101 through §13-2112
- Projects located in a designated Opportunity Zone, pursuant to the Federal Tax Cuts and Jobs Act, Public Law 115-97
- Projects located wholly or in part within an area that has been declared an Extremely Blighted Area under Nebraska Revised Statutes §18-2101.02

Projects being considered as first priority must meet threshold, minimum scoring criteria, be financially viable and applicants must demonstrate capacity.

Amendments

DED reserves the right to make changes to the Nebraska Affordable Housing Trust Fund QAP and any applicable amendments at its discretion. If DED determines it is necessary to amend the QAP, the proposed amendment will be submitted to the DED Director for review and approval. If approved, a press release will be issued and the proposed amendment will be made available on the DED website (opportunity.nebraska.gov) for a 14-day public review and comment period. At the end of 14 days, DED will consider any public input that has been provided, after which the Director will issue final approval of the amendment. The QAP, including any amendments, will subsequently be made available on the agency website.

Housing Contact Information

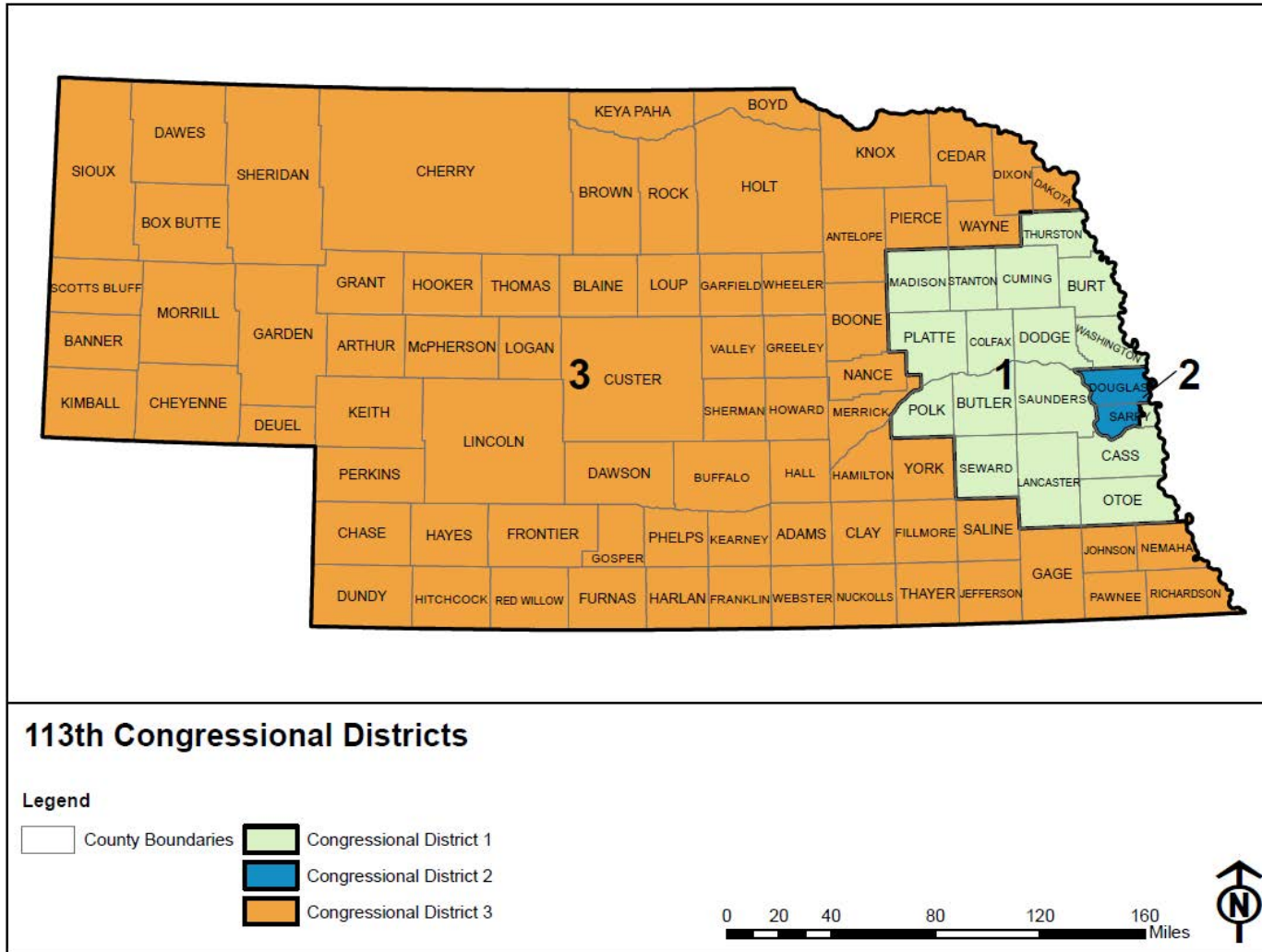
Evan Clark, Housing Specialist – NAHTF & CDBG
Nebraska Dept. of Economic Development
301 Centennial Mall South
PO Box 94666
Lincoln, NE 68509-4666
(402) 471-4679 or (800) 426-6505
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Lynn Kohout, Housing Manager
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(402) 440-2599 or (800) 426-6505
lynn.kohout@nebraska.gov
opportunity.nebraska.gov

The NDED Housing Program Representative regional map is Attachment 2.

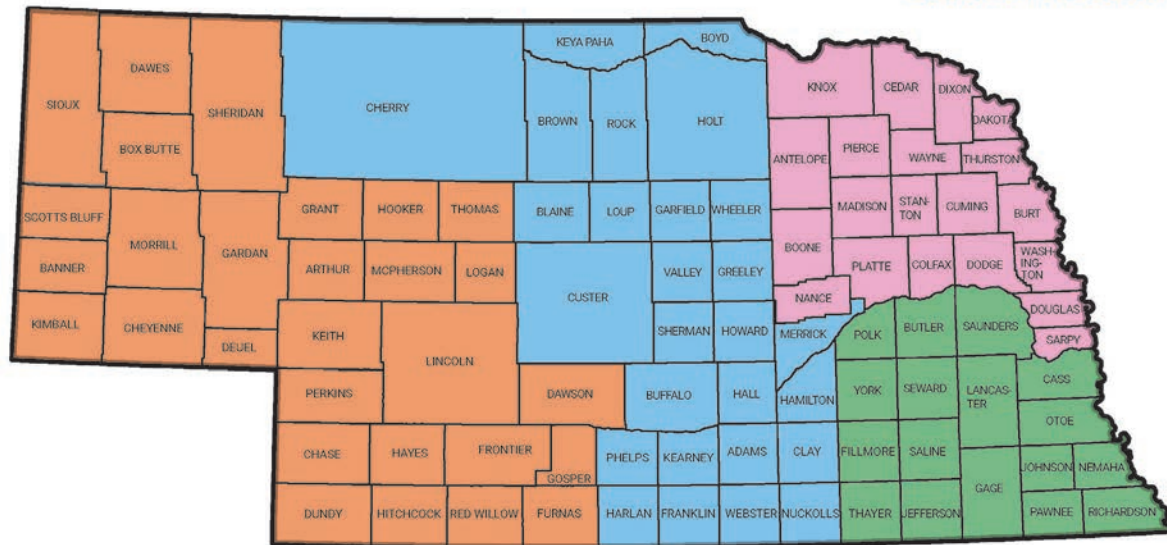
Attachments

Attachment 1 – Nebraska U.S. House of Representatives Congressional Districts



Attachment 2 – NDED Housing Program Representative Map

Nebraska Department of Economic Development: Housing Program Representative Regions (NAHTF, CDBG, HOME, & HTF)



Housing Manager
Lynn Kohout
402-440-2599
lynn.kohout@nebraska.gov

Housing Specialist (HOME and HTF)
Mechele Grimes
402-309-4536
mechele.grimes@nebraska.gov

Housing Specialist (NAHTF and CDBG)
Evan Clark
402-471-4679
402-430-0898 (Cell)
evan.clark@nebraska.gov

Application Coordinator
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Compliance Coordinator
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kara.lacey@nebraska.gov

Western
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308-289-3935 (Cell)
kristi.mcclung@nebraska.gov

Central
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laura.hart@nebraska.gov

Northeast
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mechele.grimes@nebraska.gov

Southeast
Nick Dropinski
402-471-2095
402-580-0713 (Cell)
nick.dropinski@nebraska.gov

Attachment 3 – Public Comments

The following comments are a transcript of the public comments made at the Public Hearing on Thursday, December 12th, 2019, at 1:30 PM CT, at the Nebraska Department of Economic Development, Lincoln, Nebraska:

Opened for comments at 1:52 PM CT.

Roger Nadrchal, CEO NeighborWorks Northeast Nebraska, I have several areas, would you like for me to go down the list?

The biggest area that I have comments on would be the allocation of the trust funds, most specifically to the \$3,000,000 set aside for the disaster funding program. I see it and would like to ask the Department to consider looking at it in a different way. You will probably hear this comment many times, but I look at housing as housing and whether it be for a regular housing project or to meet housing needs in a disaster area. So pulling the \$3,000,000 out, which is 30% of the total fund, really minimizes the amount of dollars that are available for regular housing projects across the state. When you look at a disaster area that is only certain pockets of the state that those funds can be used in that were effected by a disaster and we feel that the trust funds are a statewide program and they are and so that minimizes the \$3,000,000 as far as it could be used across the state. So we would like to see that change where the \$6,150,000 and the \$3,000,000 are pulled backed together in a housing project category. Then if it is one category, look at when the applications are submitted, take into consideration the need and maybe change the scoring points for need. Every application that comes in, need should be one of the major components and areas to decide on funding an application. That the need is a stronger application because they are in a disaster area versus a regular housing project so be it, but I think that would make the funds more competitive and more broad as far as reaching out to the entire state.

Very similar comments in regards to the workforce set aside in the discretionary funds, the \$1 million of the pot that's pulled out of the regular housing project category. And, I look at it and I am not sure what the department considers what workforce is, even if you are using funds for the regular housing projects that's workforce. For the most part you may have some disabled individuals or someone with special needs that aren't working, but to set aside \$1 million for a specific workforce category, once again for me housing is housing. But the applications determine the need whether it's for workforce or special needs individuals, whatever the case might be. But for the most part, regular housing projects from what we've seen and what I've seen with other applicants and awardees, that a majority of those funds are used for workforce beneficiaries anyway. So, as far as the allocation category, that is what I wanted to share with you. Being a past recipient of the Rural Workforce Housing Fund, I'm just curious if this stays as the \$1 million set aside for the workforce housing project, is that going to be put out similar to Rural Workforce Housing Fund was where it is actually a fund or is it going to be project specific? I would like to see a little more clarification on that part of it.

As far as the input from the Nebraska Commission on Housing and Homelessness, I'm speaking as a member of the commission, as a commissioner, and not on the behalf of the commission itself, but I would like to see the opportunity for the commission to have more opportunity than we have in the last recent years. To have more of an input in designing and putting together the QAP. To have a working group, most specifically through the Policy and Issues Committee on behalf of the Commission, to have more input going into it rather than the way it was provided this year where we electronically saw the

proposed plan and was able to answer some questions to the Department and provide some input, but I would like to see the Commission be involved more in earlier stages of that.

Funding Cycle's limitation, suggested maximum it states in the plan that it is just a suggested amount and we support that. If a grantee determines that there is a need for more than \$500,000 I think that opportunity should be there which you are allowing. I just want to make sure that if there aren't sufficient funds to award an applicant that is requesting more than \$500,000 that the application is not overlooked it would be negotiated and that applicant would be contacted to see if they would be willing to take less to fill the rest of the funds in that pot. I just want to make sure that is the way this will be handled.

Match requirements, obviously with legislation passed last year we support that there's no match required, but just a question for the department as far as the workforce fund, I know you are not requiring it, but it is a scoring item, so is that where you are looking at or is the workforce fund going to require a match?

Leverage, we would really like to see and we have had this discussion almost every year with the department in regards to the homeowner mortgages. In home ownership activity, in order for that program or that project to be successful, you're going to need the funds from the homeowner. Whether it's all cash, but very seldom is it all cash, but it's going to be some cash and some equity from the homebuyer, as well as the mortgage that they bring to the table to make that project whole. Because obviously you cannot sell the homes, that you are putting trust funds in, unless you have a mortgage from those clients. That dollar amount of mortgages is a huge amount that comes to the table to make that project whole. I would really like to see the department reconsider that and allow the home mortgage amounts to be considered leverage or to be put in these applications

In regard to the nonprofit technical system application and the category for financial management. I think it is more than just financial management to score an applicant on that. It should be more on a level of organizational management and how the organization is structured. Do they have an involved board, do they have policies and procedures in place, do they have a succession plan and on and on, so it's more about the organization rather than just how the finances are managed for that organization. We would ask that, that be reconsidered and change that particular scoring category for the TA applications to be more organizationally reviewed and scored rather than the financial management, just the financial side of it.

I understand that you are working on an electric application process and I just want to put this out there that our organization and our staff would be willing to be beta testers, if you want beta testers to help you.

On the timeline there's no date that indicated when the pre-app will be available, is there a date that the Department will let these individuals, those applications that come in as a pre-app, is there a date the department will be letting those individuals know when and if their pre-app is approved and threshold to move forward? I've heard from organizations in the past there has been some late timing that they weren't eligible, but they were already pretty deep into the starting of preparing their applications, so if there is a date that could be provided when those pre-apps will be reviewed and that the applicants know that they are approved to move forward that would be helpful.

Overall, we appreciate the opportunity to have this public comment period to share our thoughts on this. This is coming from the staff of NeighborWorks Northeast Nebraska and from my full board of directors. We just ask that you take into consideration our concerns, thoughts, and suggestions moving forward with the 2020 Trust Fund Applications.

Terry Uland, Interim Director of NeighborWorks Lincoln, I'm going to be very brief since I have only been on the job about a month I'm still kind of familiarizing myself with the recent history that we have had with the department. But I have been talking to Roger over the past few days and I'm going to basically say "second Roger's comments." We have always seen eye to eye on these things over the year and I think big picture he really has some insightful ideas and thoughts and I completely agree with him. As I have had a little more time to get more intimate with our recent history with housing trust funds, so I will have more specific comments in the written period, but for now I'm perfectly satisfied and happy to second Rogers's motions. I don't know that I would volunteer my staff to be beta testers. I may let Roger do that.

Matthew Cavanaugh, Nebraska Housing Developers Association, Thank you for this opportunity. I'm not going to make any comments except for this at this time I do think putting a date in for when the pre-apps will be approved or declined would be something I'm comfortable seconding right now, so people know whether or not to abandon moving forward, so it would be good to have that codified.

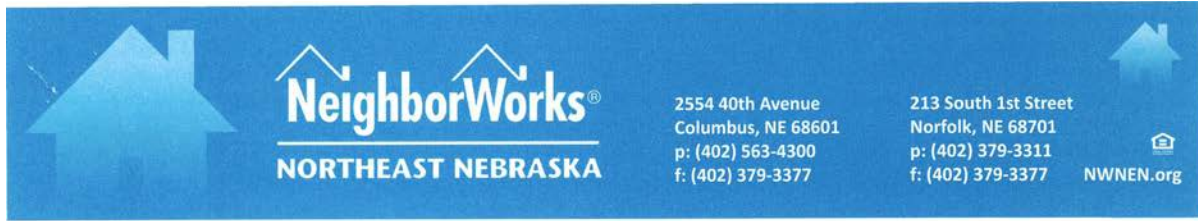
Mike Gawley, Executive Director of Holy Name Housing, First, I want to say that the Holy Name Housing certainly appreciates this program. It lends itself to help us provide housing to different people, different incomes, and to everything else we do I mean it has really been helpful to us. I would agree with Roger on the fact that separating out workforce housing projects on here from the regular housing projects. The two are one in the same in my mind. We will house people making up to 120% AMI which for a family of four is \$100,000 a year, that's workforce housing. There down to 80%, that's what I consider workforce housing and I think to separate out the two is not needed and almost cumbersome to the whole thing. I would put them all together and I would say the same thing with disaster recovery. I mean it's fuzzy. We provide a lot of housing in north Omaha and Bellevue to those people that have been displaced or out to Kings Lake and Valley. Those people are searching for housing in a big circle. They are living in trailers if they are able to find a trailer, some people move in with family, and I heard a story where a family moved to Georgia to find housing. Housing is housing. It's just the boundaries aren't very fun, people are going to move to find decent housing and there's a need for it across the state. I realize it sounds nice to separate out housing from disaster housing projects, but we just need a lot of housing anyway, the way it is. So, I would put those together. I applaud your efforts in the electronic application process. It's worth it. It may be painful, but it's worth it.

Roger Nadrchal, with NeighborWorks Northeast Nebraska, Pulling the money back together to one housing project category, like we said housing is housing. Let the need be determined on a local level based on the application. I understand that there have been disasters and there's a need for improvements, changes, new housing, and rehabbing those disaster areas, but their application is submitted with the other housing applications and if their need is larger, then they should race to the top and get some funding. I am not saying that disaster areas don't need funding, but it is all part of projects statewide.

In addition to my oral comments here today, we will be providing written comment as well so the details will be more detailed if you didn't catch all of my oral comments here.

Comments closed at 2:07 PM CT.

The following written comments were received during the Public Comment Period beginning December 3rd, 2019 and ending January 3rd, 2020:



December 30, 2019

Nebraska Department of Economic Development
Attn: Evan Clark, Housing Specialist
301 Centennial Mall South
Lincoln, NE 68509-4666

RE: 2020 Proposed NAHTF QAP Public Comments

Evan,

On behalf of Board of Directors and Staff of NeighborWorks Northeast Nebraska we are providing written comments on the Proposed 2020 Proposed NAHTF QAP.

Estimated NAHTF Government Aid Allocation

NeighborWorks Northeast Nebraska feels that the proposed distribution of the NAHTF fund for the 2020 program year is fundamentally flawed. The Housing Cycle funds of \$6,150,000 is only 59.7% of the total Aid Allocation. Over the past years there have been many more Housing Project applications requesting NAHTF for housing projects throughout the state than what was available, even when there were more funds available than what is proposed for 2020. The requests will only increase this year because match funds are no longer required. We do not understand why the NDED Housing Team who have drafted the Proposed 2020 QAP would reduce that amount by proposing 2 different set-asides; Disaster Recovery Housing Projects for \$3,000,000 and NAHTF Workforce Housing Projects for \$1,000,000.

1. Disaster Recovery Housing Projects

Creating a set-aside for Disaster Recovery Housing Projects of \$3,000,000 (29%) is an excessive amount to be available for only a few areas of Nebraska to access. These funds will only be available to a few areas of the State of Nebraska that have experienced a disaster. Therefore, \$3,000,000 is not available to all parts of the State of Nebraska, which is the intent of the NAHTF. In 2019 there was a similar set-aside, where only 9 applications, as compared to 41 applications for regular Housing Projects were submitted to access the Disaster Recovery funds. That is a very small number and indication that there are only a few areas seeking these special set-aside funds, which in the long term affects other housing projects across the state. Housing is housing. We at NeighborWorks Northeast Nebraska strongly oppose this set aside. If there are areas that were affected by a disaster; they can apply in the Housing Projects category. If their application

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indicates a high need and having NAHTF will make a large impact, their applications should score higher in accordance to the application scoring.

Recently Governor Ricketts announced that the State of Nebraska will receive \$108 million in disaster recovery funds. With that amount from HUD, why use our local NAHTF for a special set-aside?

2. NAHTF Workforce Housing Projects

NeighborWorks Northeast Nebraska also does not support the \$1,000,000 set aside for Workforce Housing Projects. For the most part when using NAHTF, these funds are developing housing units for the workforce in the State of Nebraska. Why have a special set aside for workforce housing projects when many of the housing projects already support the workforce housing needs? Similar to the Disaster Recovery Housing Project set-aside this \$1,000,000 which is 10% of the total allocation takes away from the Housing Projects allocation. Even though this \$1,000,000 is significant to the overall Housing Projects allocation it is a small amount for a Workforce Housing Fund to be distributed over the entire state.

Setting aside \$1,000,000 is a very small amount and we don't see there can be a significant impact. Will this be set up like the Rural Workforce Housing Fund that was recently created? Is this project related, or will it be an award that will be administered by a Fund Administrator, where they will decide which projects will receive the funds to develop workforce housing?

Once again housing is housing. Why have a special "category" for workforce housing, in some situations the workforce household's income could be in excess of the 120% AMI. Therefore, if the household's incomes are in excess of 120% AMI it is my understanding that they would be ineligible, is that correct? So why set aside funds for a special program that would be difficult to meet the income guidelines of the NAHTF?

3. Summary

The 10% of Allocation is used for Discretionary activities, which includes the Workforce Housing Projects and the Regional/Statewide Nonprofit TA. We understand that NDED can utilize their discretionary authority for 10% of the allocation. However, the Housing Funding Cycle allocation is proposing to split \$9,270,000 into Housing Projects, Disaster Recovery Housing Projects and Nonprofit Technical Assistance. It appears NDED is using their discretion in setting aside funds for the Disaster Recovery Housing Projects, this doesn't seem legal. Once again "housing is housing" don't split up the Housing Funding Cycle category.

We do not disagree that there are some areas in Nebraska that were affected by a disaster, however, don't take away dollars from the "regular" Housing Projects allocation. As stated earlier, housing

2

is housing, there should not be special set-asides for disasters and workforce housing funds. If a significant need is identified for special projects, then find new funding sources for them, rather than “stealing” from an already over-subscribed fund for housing projects. There have been many times in recent years where dollars were transferred from the NAHTF to support other areas and special projects even the General Fund. We and many other housing advocates always tried to block those attempts and we are surprised that the Nebraska Department of Economic Development is doing just that by creating two new set asides to reduce the amount of funds for the “regular” Housing Projects. Also, there have been discussions to ask the State Legislature to increase the Documentary Stamp, which provides funds for the NAHTF, thus indicating a large need for more funds to develop housing in Nebraska. The Proposed 2020 QAP Allocation is reducing the amount of funds available for Housing Projects across the State of Nebraska.

This is very disappointing to us and several other housing developers in Nebraska. Allow the funds to be allocated based on the need and its potential impact based on each application, let the need be determined by the local areas, whether it be organizations serving city by city, counties, regionally or statewide. The applicant must be able to determine the need through the application process. This decision should not be decided by the Housing Team of NDED. It needs to be decided on the local level based on the applications submitted for housing projects.

Other areas of concern:

There are several other areas of concern with the Proposed 2020 QAP, those concerns are listed below.

1. Nebraska Commission on Housing and Homelessness (NCHH) (page 3)

This paragraph indicates NDED gathered input for the proposed 2020 QAP from the NCHH. We would like to know when this happened. Our CEO, Roger Nadrchal was appointed to serve on the NCHH in 1998 by Governor Ben Nelson, so he has been around for 21 years, in earlier years NDED was much better at obtaining input from the NCHH, who are to make recommendations to NDED regarding the operations of the NAHTF and HSATF. NCHH is the advisory body on housing and homelessness. In recent years there have been many changes reflecting the NAHTF without any input of the NCHH.

This needs to change, we are the advisory body and need to be more involved in providing guidance, assistance and recommendations to NDED. I don’t believe in being a part of a structure and not allowed to perform our duties as ordered by the State Legislature.

At the recent NCHH meeting on November 25th the proposed 2020 QAP was shown to the NCHH, no hard copies or any guidance, assistance and recommendations was obtained prior to this

meeting. If that was considered providing guidance, assistance and recommendations to NDED, that is not how we see it. There is an established Policy and Issues Committee of NDED. Input needs to be obtained by NDED from this committee which is then supported by the full NCHH. We as Commissioners have had very little input in recent years; and want this to be changed moving forward. We don't want to see the proposed plans already pretty much put into place. We need to be more involved in helping draft the new plans and policies, we/NCHH Commissioners represent that State of Nebraska constituents on providing advice to NDED for the Nebraska Affordable Housing Trust Fund.

2. Funding Cycles and Limitations (page 5)

The 2020 suggested maximum NAHTF award is \$500,000. We clearly understand there needs to be a suggested maximum. However, we want to know that if an applicant determines a need to apply for more than the suggested maximum, will that be negative in the scoring process? If there are not enough funds to approve an applicant that has requested in excess of the suggested maximum, will negotiations with NDED and the applicant partially fund take place?

3. Eligible Activities (page 6 & 7)

We have some questions about the activities listed that are eligible for NAHTF assistance. The second and fourth bullets indicate matching funds for How would that exactly apply in a housing development activity/project?

4. Matching Requirements (page 7)

There is no match required for NAHTF Housing Projects, Disaster Recovery Housing Projects or Nonprofit Technical Assistance applications. We fully support this, however, are matching funds required for the NAHTF Workforce Housing? If yes, how can you require that with the recent legislation that was passed taking away matching requirements of the NAHTF?

5. Leverage (page 7)

Why are homeowner mortgages not considered leverage funds? Without the homeowner mortgages for homeownership activities the housing projects would not happen. Homebuyer Education is required for Homebuyer Projects, a part of that curriculum is to ensure that homebuyers are getting appropriate mortgages which further supports mortgages as leverage. Even though the homebuyer brings their mortgage to the project, it is still considered leveraged funds. At the time of the submittal of the application the exact amount of mortgages cannot be determined, however if an experienced applicant has a track history to determine the average mortgage amounts an amount could be determined to be included in the leverage category using an average of past production. NeighborWorks Northeast Nebraska would like to see this changed to allow homeowner mortgages considered to be leverage funds.

6. Selection Criteria and Process (page 7 & 8)

The selection criteria for Nonprofit Technical Assistance breakdown of points should reflect “Organizational Management” rather than “Financial Management”. For the TA category and scoring it is much more important to understand and score the applications based on the overall Organizational Management of the organization rather than their Financial Management.

In the past funding cycles and for 2020 it appears there is no credit or points awarded for the number of units to be developed, the timing and usage of past grant awards and the efficiencies of the organization based on their past production. These areas should be itemized, and points awarded to recognize top performing organizations compared to first-time applicants.

Closing Comments

The Board of Directors and Staff at NeighborWorks Northeast Nebraska want to highly encourage NDED to take all these suggestions into consideration to make the NAHTF a true state-wide program and not have priorities that affect only certain areas of Nebraska. The NAHTF should be available for all housing projects statewide. No need to have set asides. After all; “housing is housing”.

Sincerely,
NeighborWorks Northeast Nebraska



Brian Christensen, Board President
(President, Columbus United Federal Credit Union)



Roger D. Nadrchal, CEO

Board of Directors

Jean Martinez, Vice President (Homemaker)
Dan Odom, Secretary (Pastor, 1st Baptist Church)
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Karen Eisenbraun, CFO
Mitch Borst, Housing Manager
Rena Beran, Housing Manager
Jessica Kroeger,
Education & Outreach Coordinator
Shay Bakenhus, Administrative Asst.

Cc: Senator Jim Scheer
Senator Mike Moser
Senator Joni Albrecht
Senator Tom Briese
Senator Tim Gragert
Senator Ben Hansen



December 31, 2019

Evan Clark
Housing Coordinator
Nebraska Dept. of Economic Development
PO Box 9466
Lincoln, NE 68509

Nebraska Affordable Housing Trust Fund-
2020 Qualified Allocation Plan COMMENTS

NeighborWorks Lincoln is presenting the following concerns/issues that are generated from our study of the Proposed 2020 Qualified Allocation Plan.

- 1) It is our understanding that the NAHTF was established to address housing needs throughout the state of Nebraska. While there was extensive housing affected by flooding in 2019, there were also Federal funds that were generated to address the needs of those affected by the flooding. \$3 million NAHTF was allocated to 6 flood communities this past year.

However, the need for affordable housing resources did not decline in 2019. In fact, the need grew. The proposed QAP will take away another \$3 million from the Fund allocated to eligible, flooded sites. Furthermore, \$1 million will be distributed to Workforce Housing programs, which are also being addressed through other programs. Once again, reaching limited areas of the state.

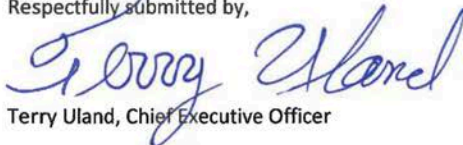
With the increasing number of organizations and cities applying and the increasing need for resources, the decrease in available NAHTF hurts the entire state.

A suggested approach to addressing the issues of flooding and workforce housing would be to include those funds with the entire pool of funds. When establishing the scoring system, add points for those addressing these particular needs but don't transfer from existing programs meant to address the statewide issue of Affordable Housing.

- 2) The Selection Criteria appears to have different interpretations to everyone involved. We request the addition of definitions and clarification of these criteria (project design, need/impact, collaboration, and capacity) so everyone can be on same page.

NeighborWorks Lincoln greatly appreciates the Nebraska Affordable Housing Trust Fund. It has provided us the opportunity through the years to provide new housing, downpayment assistance, and rehabilitation services- all of which are vital to the citizens of the State of Nebraska. We hope you will consider our concerns as the QAP is finalized.

Respectfully submitted by,


Terry Uland, Chief Executive Officer



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Affordable Housing Builds Strong Communities

Thursday, January 2, 2020

FROM: Matthew Cavanaugh

TO: Evan Clark, Housing Specialist
Nebraska Department of Economic Development
P.O. Box 94666,
Lincoln, NE 68509-4666

Thank you, Evan, and the rest of the Housing Department staff for welcoming this input. The tremendous amount of work you all put into the development of the QAP and the administration of this program is absolutely appreciated.

Please see below for the Nebraska Housing Developers Association public comments concerning the Proposed 2020 Nebraska Affordable Housing Trust Fund Qualified Allocation Plan.

NHDA's Public Comments

Allocation of Funds

NHDA opposes the setting aside of \$3,000,000 for Disaster Recovery Housing and \$1,000,000 for NAHTF Workforce Housing Projects as outlined in the Proposed 2020 Qualified Allocation Plan (QAP).

While we acknowledge that recent disasters have exacerbated housing challenges in several communities, we still believe that the NAHTF program is best utilized to address housing needs when the applicants demonstrate the need and feasibility of their projects through the quality of their applications. We propose that the \$3,000,000 set aside for Disaster Recovery Housing Projects be put back into the Housing Projects category and scored according to the selection criteria for housing projects, and not with its own scoring criteria. It is our opinion that many disaster housing projects will still be awarded, and we would be supportive if the program application included a question for applicants to indicate if their project is a disaster housing recovery project. Applicants could self-identify their application as a disaster housing recovery project as long as those projects are still evaluated against all the other housing applications. This would allow the department and program advocates to gain an understanding of how much demand there is for disaster recovery resources.

Similarly, NHDA supports workforce housing, but we do not support setting aside funds to be competed over separately, scored differently, and administered under their own guidelines. We request that the \$1,000,000 NAHTF Workforce Housing Projects be reintegrated back into the Housing

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Projects allocation and scored under the Housing Projects Selection Criteria. This \$1,000,000 can remain part of the 10 percent discretionary allocation that is not subject to the congressional district distribution guidelines. With income limits up to 120 percent of area median income, the NAHTF does an excellent job of providing workforce housing as currently designed.

Selection Criteria and Process

Related to the comments above, we suggest removing the selection criteria for Disaster Recovery Housing Projects and for Workforce Housing Projects.

Electronic Submission

We congratulate the Department of Economic Development for their intention to implement an electronic submission process for the 2020 NAHTF and acknowledge that this will likely be a challenging and difficult implementation process. NHDA offers our assistance in whatever way DED determines could make the processes more seamless.

Two-Year Application Period

We suggest that in the future DED provide the proposed plan a year ahead of the award period to allow applicants more time to prepare projects. Alternately, DED could produce two-year plans but maintain annual application cycles. Producing a two-year Qualified Allocation Plan (QAP) could reduce some recurrent work for DED while providing applicants more time to prepare projects. As long as funds are awarded annually and allocation amounts are updated to reflect the documentary stamp tax receipts, a two-year QAP should comply with the requirements of the statute.

Thank you,



Matthew Cavanaugh

Executive Director
Nebraska Housing Developers Association
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Lincoln, NE 68506

233 South 13th Street, Suite 700
Lincoln, Nebraska 68508
Phone: (402) 474-1555
Fax: (402) 474-2946
www.nebankers.org



December 12, 2019

Mr. Evan Clark
Housing Specialist – NAHTF & CDBG
PO Box 94666
Lincoln, NE 68509

RE: 2020 NAHTF QAP

Dear Mr. Clark:

On behalf of the Nebraska Bankers Association (NBA) and our 173 member institutions and approximately 15,000 employees, I am pleased to offer some general comments on the proposed 2020 NAHTF Qualified Allocation Plan (QAP).

The NBA has been heavily involved in Nebraska's affordable housing strategy for several decades at the state and local levels. More recently, the NBA has focused much of its attention on the issue of workforce housing based upon direct input from our member institutions and their respective communities. Our team was pleased to play a role in legislation which led to the creation of the Nebraska Rural Workforce Housing Fund and also amended Nebraska's tax increment financing laws to allow TIF dollars to be used in a variety of new housing projects.

I personally want to thank Nebraska's Department of Economic Development (DED) team which led the implementation of the NRWHR initiative. Clearly, a great deal can be learned from the many positive metrics reported from the RWHF successes. These lessons include: the importance of public/private partnerships, the value of focusing on higher income limits, leveraging local dollars, encouraging the creation of new housing units and a renewed focus on entrepreneurial and creative solutions to Nebraska's housing challenges. Inclusion of dollars in the QAP for workforce housing pilot projects are clearly important to the future of our Nebraska communities. We would encourage you to retain this focus on workforce housing.

As you work through the 2020 QAP and secure input from across the state, the NBA would encourage you to find ways to leverage additional private and public dollars with a focus on creating new housing units. We would also encourage DED to remove barriers in the NAHTF which make the program more difficult to utilize for communities, developers and consumers.

In light of this past year's natural disasters which impacted a majority of our state, we would also urge continued focus on the creation of new housing units in areas impacted by these disasters.

Mr. Evan Clark
December 12, 2019
Page 2

The NBA has been heavily involved in a variety of disaster recovery efforts and we have found that the need for long-term housing recovery remains a key necessity in many of the communities affected by this year's disaster.

Again, thank you for your efforts to grow workforce housing in Nebraska. Should you have questions, please feel free to reach out to me directly.

Sincerely,



Richard J. Baier
President and CEO
richard.baier@nebankers.org

January 3, 2020

Evan Clark
Housing Specialist, Nebraska Department of Economic Development
P.O. Box 94666
Lincoln, NE 68509-4666

Dear Evan,

McCook Economic Development Corporation appreciates the opportunity to provide feedback for the Nebraska Affordable Housing Trust Fund 2020 Proposed Qualified Allocation Plan.

McCook Economic Development Corporation would like to express our support and thanks on moving forward with implementing an electronic submission process for the 2020 NAHTF.

We also appreciate the support from Department of Economic Development Field Staff in Housing and Business Development. It is a challenge in many rural areas to have the capacity to apply for and administer state trust fund programs and the assistance we received from the Department of Economic Development and the partnerships with other area housing entities has been beneficial.

Sincerely,



Andy Long
Executive Director



MIDWEST HOUSING
DEVELOPMENT FUND, INC.

December 24, 2019

Evan Clark, Housing Specialist
Nebraska Department of Economic Development
Transmitted via Electronic Mail to evan.clark@nebraska.gov

RE: Public Comment on the Proposed 2020 Nebraska Affordable Housing Act Qualified Allocation Plan (QAP)

Dear Mr. Clark:

This represents the official comment from the Midwest Housing Development Fund, Inc. ("MHDF") to the Nebraska Department of Economic Development ("DED") on the QAP listed above.

Allocation of Funds

The distribution table on page 4 of the proposed QAP indicates 2 funding cycles with sub-allocations within those cycles.

MHDF urges DED to remove the sub-allocation designations of Disaster Recovery Housing and NAHTF Workforce Housing Projects and associated differences in application review and scoring. It is recommended that \$9,270,000 be allocated for Housing Funding Cycle applications that includes a commitment to award \$3,000,000 within that allocation to projects that are consistent with Disaster Recovery Plans. The proposed selection criteria and scoring in the 2020 QAP for the Disaster Recovery Projects should be used for all Housing Funding Cycle applications. This will ensure that Disaster Recovery Housing is maintained as a specific focus in the 2020 NAHTF allocation cycle while also simplifying the process for applicants to determine which type of application they should submit for their project. Nebraska is still in great need of Workforce Housing, the MHDF recommendation is based upon the fact the track record for NAHTF funding as a useful resource for Workforce Housing as it has operated in previous years. A specific Workforce Housing designation, sub-allocation, or component is not necessary.

MHDF recommends that DED allocate the \$1,030,000 of Discretionary Funds to the sub-allocations of \$700,000 NAHTF LIHTC leverage (not as Match for HOME funds as indicated in 2019 and prior years) and \$330,000 for eligible nonprofit technical assistance. NAHTF LIHTC leverage would be awarded through the joint DED/NIFA application process or the Housing Projects application in the case of projects with 4% (rather than 9%) LIHTC and projects previously financed with LIHTC. MHDF recommends that DED include as eligible projects: (a) public housing agency properties and (b) rental housing that is financed with other public sources. The additional commitment to nonprofit technical assistance that is not divided by Congressional District boundaries will enable Nebraska housing organizations to increase much needed capacity in Housing Intelligence as identified in the Blueprint Nebraska Housing Industry Council Report. This will be a strategic short-term investment toward the long-term goal to reach 30,000 new units.

MHDF recommends that with the Housing Funding Cycle application, DED clearly indicate the eligibility of public housing agency housing and rental housing that is financed with other public sources as eligible projects.

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Phone: 402-334-8899 • Fax: 402-334-5599

The following table and verbiage represent the MHDF recommendations for changes to the distribution methodology:

Estimated NAHTF Government Aid Allocation	NAHTF Activities	
\$9,270,000	Housing Funding Cycle(s) – 90% of Allocation Subject to Congressional District Distribution	
	\$3,000,000	Disaster Recovery Housing Projects
\$1,030,000	Discretionary Funds – 10% of Allocation	
	\$700,000	NAHTF LIHTC leverage
	\$330,000	Nonprofit Technical Assistance
\$10,300,000	Projected NAHTF Total Allocation	

DED anticipates awarding 90%, or \$9,270,000 of the expected allocation of \$10,300,000 through the Housing Funding Cycle(s). This will result in \$3,090,000 to each congressional district for the 2020 program year. DED will award those grant applications that meet all threshold requirements and rank highest within their congressional district, pending the amount of funding available for that district per cycle. DED intends to award \$3,000,000 to Disaster Recovery Housing Projects.

\$700,000 of the 10%, or \$1,030,000, discretionary funds will be allocated to Low-income Housing Tax Credit projects. These projects support the NAHTF first priority to serve the lowest income occupants for the longest period of time in financially feasible projects through leverage with LIHTC equity. The NAHTF LIHTC leverage allocation will be distributed through the joint NIFA/DED 9% LIHTC application cycle or through the NAHTF Housing Funding Cycle(s). The remaining discretionary funds, totaling an estimated \$330,000, will be available for eligible nonprofit technical assistance. Discretionary funds have no restriction with regard to congressional district distribution.

Selection Criteria and Process

As indicated in the previous section, MHDF recommends that DED use the same selection criteria and process for all projects in the Housing Funding Cycle.

Other Comments

MHDF strongly recommends that DED utilize administrative authority to ease access to the NAHTF by not applying some restrictions that are applied to past NAHTF projects. These changes also should reduce the administrative burden and responsibilities for DED. Examples:

DED publishes a single income limit regardless of family size (such as the statewide 120% Area Median Income for a family of four) and uses previous year income tax returns for beneficiary income eligibility documentation.

DED does not impose purchase price limits based on the HOME program or other federal programs. The HOME program is based on income targeting at 80% Area Median Income not 120% area median income. If DED wishes to have some limitation, MHDF recommends using the cost limits in the Rural Workforce Housing Program as a guide.

Midwest Housing Development Fund, Inc.
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DED consider all types of nonprofit proposed uses of NAHTF in the Technical Assistance application that are eligible for use in the Affordable Housing Act. This includes, but is not limited to: design services and consultation supporting planning efforts in development of a housing strategy, project, or program; technical assistance costs for eligible organizations involved in the creation of affordable housing; and matching funds for operating costs when the grants will substantially increase an applicant's ability to produce affordable housing.

DED does not impose multi-year affordability restrictions on assisted units except as proposed by the applicant as an appropriate measure in that project.

DED requires recipients to complete a basic internal review of the environmental conditions of a project and self-certify that the project will not adversely affect the environment and the environment will not adversely affect the beneficiaries of the project in lieu of the current environmental review requirements applied to NAHTF projects.

Thank you for the opportunity to review and comment on the QAP. If you have any questions, please contact me at (402) 715-5328 or lhuskey@mhdinc.com.

Sincerely,



Lara Huskey
Executive Vice President

Copies to: Lynn Kohout, DED; Matthew Cavanaugh, Nebraska Housing Developers Association; Ryan Durant, Nebraska Commission on Housing and Homelessness

Midwest Housing Development Fund, Inc.
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Phone: 402-334-8899 • Fax: 402-334-5599



January 2, 2020

Evan Clark
Housing Specialist – NAHTF & CDBG
PO Box 94666
Lincoln, NE 68509

RE: Public Comment on the Proposed 2020 Nebraska Affordable Housing Act Qualified Allocation Plan (QAP)

Dear Evan:

On behalf of NeighborWorks® Home Solutions (NWHs) I am providing official written comments on the Proposed 2020 NAHTF Qualified Allocation Plan (QAP). Please find comments below:

Housing Priorities

NWHs suggests adding “Disaster Recovery Housing Opportunities” as a priority under the 2020 NAHTF program.

Allocation of Funds

NeighborWorks Home Solutions is opposed to the allocation of \$3,000,000 for Disaster Recovery Housing and \$1,000,000 for NAHTF Workforce Housing Projects as outlined in the Proposed 2020 QAP.

- NWHs recommends that NDED places the \$3,000,000 allocated for Disaster Recovery Housing into the Housing Projects category, and recommends the full \$9,270,000 be allocated for Housing Projects. NWHs acknowledges that the 2019 disasters further increased housing challenges in several communities, however, we also believe that the NAHTF program is best utilized when applicants demonstrate the need and feasibility of their projects through their applications. NWHs recommends the same selection criteria and process for all housing projects in the Housing Funding Cycle. As an option to adding the “Disaster Recovery Housing Opportunities” to the 2020 NAHTF priorities, there could be scoring criteria added to include “Housing Project Priority” which would ensure that Disaster Recovery is a specific focus in the 2020 NAHTF allocation cycle without adding the requirement of the sub-allocation being subject to congressional district distribution as the 2019 disaster does not affect each congressional district equally.
- NWHs recommends that NDED allocate the \$1,030,000 of Discretionary Funds to the sub-allocations of \$500,000 for eligible non-profit technical assistance, and, the remaining \$530,000 will be utilized within the 2020 NAHTF Housing Projects Funding Cycle. The additional commitment to non-profit technical assistance would enable Nebraska housing organizations to increase much needed capacity in Housing Intelligence as identified in the Blueprint Nebraska Housing Industry Council Report. Each of these sub-allocations provide investment toward the long-term goal to reach 30,000+ new units as identified in the Blueprint process. Discretionary funds have no restriction with regard to congressional district distribution.

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Omaha, NE 68111

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222 South 6th Street
Council Bluffs, IA 51501



The following table and language represents NWHS' recommendations for the changes to Allocation of Funds:

NAHTF Allocation	NAHTF Activities
\$9,270,000	Housing Funding Cycle(s) – 90% of Allocation Subject to Congressional District Distribution
	*Housing Funding Cycle(s) priorities – (New affordable housing units for homebuyers, New affordable rental housing units, Preservation and rehabilitation of housing units, Increasing Homeownership Opportunities, Disaster Recovery Housing Opportunities.)
\$1,030,000	Discretionary Funds – 10% of Allocation
	\$500,000 for Nonprofit Technical Assistance, not subject to congressional district distribution
	\$530,000 for 2020 Housing Projects Funding Cycle, not subject to congressional district distribution
	\$0 Match for Federal HOME Program*
\$10,300,000	Projected NAHTF Total Aid Allocation

NDED anticipates awarding 90%, or \$9,270,000 of the expected allocation of \$10,300,00 through the Housing Funding Cycle(s). This will result in \$3,090,000 to each congressional district for the 2020 program year. NDED will award those grant application that meet all threshold requirements and rank highest in their congressional district, pending the amount of funding available for that district per cycle.

The 10% allocation, or \$1,030,000, for Discretionary Funds will be utilized for up to \$500,000 available for eligible non-profit technical assistance; and, the remaining \$530,000 will be used within the 2020 NAHTF Housing Projects Funding cycle. Discretionary funds have no restriction with regard to congressional district distribution.

Funding Cycles and Limitations

NWHS recommends the following:

NAHTF funding will be utilized in the annual competitive housing application cycle (i.e., funding cycle) that will include:

- Housing Projects, including those identified with the following 2020 priorities: New affordable housing units for homebuyers, New affordable rental housing units, Preservation and rehabilitation of housing units, Increasing Homeownership Opportunities, and, Disaster Recovery Housing Opportunities.
- Non-profit Technical Assistance

NWHS is in support of the Proposed 2020 QAP language, "The 2020 suggested maximum NAHTF award is \$500,000...", this allows NDED the ability to evaluate each application and award based upon housing priority, proven need and capacity for overall usage of the potential awardee.

Application Process Summary

NWHS commends NDED on the intention to provide an electronic application process. However, the integration of such systems can be challenging, NWHS recommends adding language that would indicate an alternative process for pre-applications and/or full applications should there be a delay of the electronic system integration and/or electronic system technical difficulty.

Leverage

NWHS recommends adding “homebuyer mortgages” as leveraged funds for those applications that include homebuyer activities; these programs would not be successful without the homebuyer being eligible for first-mortgage financing. Development pro-formas are required for application submission for the Homebuyer New Construction and Purchase/Rehab/Resell categories, and while the leverage amounts are not included in the contract budget, the first-mortgages are essential to making these New Construction and PRR programs feasible as is the down payment assistance loan (which is a typical use of the NAHTF funds). Regardless of whether these first-mortgages are secured at time of application, they are homebuyer program requirements for eligibility to sell the newly constructed unit. The same would be true for program eligibility requirements for all applications that include homebuyer opportunities, and are a written element included in the homebuyer program guidelines.

Selection Criteria and Process

NWHS recommends selection criteria that is consistent for all Housing Projects, and include a scoring mechanism to assign points for “Housing Project Priority” that is relevant to meeting the statewide 2020 housing priorities, such as the below:

SELECTION CRITERIA FOR HOUSING PROJECTS	
CRITERIA	POINTS POSSIBLE
Housing Project Priority - (New affordable housing units for homebuyers, New affordable rental housing units, Preservation and rehabilitation of housing units, Increasing Homeownership Opportunities, Disaster Recovery Housing Opportunities.)	100
Project Design	125
Need and Impact	100
Collaboration	50
Project Financing	75
Capacity	50
TOTAL POSSIBLE POINTS	500

Other Comments

NWHS recommends that NDED utilize administrative authority to ease access to the NAHTF by not applying some restrictions that are applied to past NAHTF projects. These changes should reduce the administrative burden and responsibilities for NDED, as well as grantees. Examples:

- NDED does not impose purchase price limits for NAHTF based on the HOME program or other federal programs. The HOME program is based on household incomes at 80% Area Median Income or below, not 120% Area Median Income as allowed within NAHTF. NWHS recommends NDED have a NAHTF purchase price limitation that is in alignment with the Rural Workforce Housing Program.
- NDED considers all types of non-profit proposed uses of NAHTF in the Technical Assistance application that are eligible for use in the Act. This includes, but is not limited to: design services and consultation supporting planning efforts in development of housing project or program; technical assistance costs for eligible organization involved in the creation of affordable housing; and, matching funds for operating costs with the grant will substantially increase the applicants’ ability to produce affordable housing.
- NDED does not impose multi-year affordability restrictions on assisted units except as proposed by the applicant as an appropriate measure in their specific project.

Thank you for the opportunity to review and comment on the Proposed 2020 NAHTF Qualified Allocation Plan (QAP). If you have any questions in regard to these comments, please contact me at (402) 451-2939 or lcoleman@nwhomesolutions.org.

Sincerely,


Leslie Coleman
Chief Executive Officer

SEND, Inc.

Southeast Nebraska Development, Inc.

3 January 2020

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Beckie Cromer
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Nebraska Dept. of Economic Development
301 Centennial Mall South
PO Box 94666
Lincoln, NE 68509-4666

RE: NAHTF QAP – Public Comment
Regional Revolving Loan Funds for Housing Program Income

To Whom It May Concern:

In 2013, the State of Nebraska's Department of Economic Development (DED) created a process to create regional loan funds for the purpose of economic development activities. A state-recognized Nonprofit Development Organization (NDO) was created to carryout funding activities through agreements with the local government grantees to ensure funds retain the intent of the original grant and allow limited resources to continue to be used to address ongoing economic development needs throughout the region.

A suggestion would be to create a similar type of NDO process for housing. New and existing program income can pass through an existing NDO or an NDO that meets the requirements set forth in the NDO application process.

The value of this is as follows:

1. Limited resources (reuse funds) would continue to be used for the intent of the Housing Trust Fund. The current defederalization process allows communities to place funds originally allocated for housing into their general fund. The NDO process would ensure these funds continue to be utilized for housing programs that complement the intentions of existing NAHTF, RWHF, and CDBG programs.
2. The process is already in place and would require minor modifications. In 2019, SEND, Inc. (NDO) amended their reuse guidelines to include housing development activities as it relates to economic development, i.e. employee retention, workforce housing. The NDO will amend or create a reuse plan for the housing funds to be approved by DED. Once funds are repaid to the NDO, funds would no longer be subject to their original requirements and will be subject only to the requirements of the NDO's reuse plan, further opening the door for new programs and incentives for communities and homeowners.
3. Smaller reuse pools would accumulate into a larger regional fund that will generate substantive projects. If funds are repaid to an NDO to create a regional pool, self-

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SEND is an Equal Opportunity Provider and Employer

SEND, Inc.

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Beckie Cromer
Falls City EDGE

sustaining programs can be developed as an additional tool for the growth and sustainability of communities. Communities with little program income are often times unable to fund projects due to the lack of available funds, which results in the funds becoming idle. The NDO also opens the door for underserved communities who have demand for funding, but do not meet the increasing minimum thresholds required to receive new grant funds to receive assistance. The NDO process would increase the Department's presence in these communities that would not otherwise be served.

4. It would reduce reporting for several communities and minimize administration responsibilities for DED staff. Although DED no longer requires program income to be reported, by making it a requirement that communities enter into an agreement with the NDO would ensure the funds maintain their original intent. Upon the receipt of new grant funds, any liens placed on properties would name the NDO as the beneficiary and all program income received would returned directly to the NDO. This would eliminate reporting in the future. The NDO would also alleviate the local political pressure the available funds bring to local decision makers.

Sincerely,


Robert B. Engles
Board President

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Lincoln, NE 68521-5862

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SEND is an Equal Opportunity Provider and Employer

Southwest Nebraska

Community Betterment Corporation

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www.southwestne.com



SWNCBC Public Comments on 2020 QAP

SWNCBC would like to thank the Department of Economic Development for the opportunity to make public comment on the Proposed 2020 NAHTF QAP.

SWNCBC would also like to express their support and thanks on moving forward with implementing an electronic submission process for the 2020 NAHTF. SWNCBC would like to know when the system will be available for grantees to become familiar with the new electronic submission process and who the staff person in the Lincoln office will be if Grantees have problems with the new system. As a Grantee who has successfully applied for NAHTF, we would like to offer any assistance to NDED on utilizing this new system.

SWNCBC opposes the setting aside of \$3,000,000 for Disaster Recovery Housing and \$1,000,000 for NAHTF Workforce Housing Projects as outlined in the Proposed 2020 Qualified Allocation Plan (QAP). Although, both are important and needed projects we feel the NAHTF program is best utilized to address housing needs when the applicants demonstrate the need and feasibility of their projects through the quality of their applications. We would like to see the \$3,000,000 set aside for Disaster Recovery Housing Projects be put back into the Housing Projects category and scored according to the selection criteria for housing projects, and not with its own scoring criteria. SWNCBC feels that the recent federal award to the State of Nebraska for Disaster Recovery should be utilized prior to additional disaster funding being set aside as a NAHTF priority. SWNCBC supports workforce housing, but we do not support setting aside funds to be competed over separately, scored differently, and administered under their own guidelines. We would like to see the \$1,000,000 NAHTF Workforce Housing Projects be reintegrated back into the Housing Projects allocation and scored under the Housing Projects Selection Criteria. With income limits up to 120 percent of area median income, the NAHTF does an excellent job of providing workforce housing as currently designed. SWNCBC would like to see the selection criteria for Disaster Recovery Housing Projects and for Workforce Housing Projects removed.

Benkelman Community Redevelopment Authority Public Comments on 2020 QAP

The Benkelman CRA would like to thank the Department of Economic Development for the opportunity to make public comment on the 2020 QAP.

The Benkelman CRA would also like to express their support and thanks on moving forward with implementing an electronic submission process for the 2020 NAHTF.

The Benkelman CRA opposes the setting aside of \$3,000,000 for Disaster Recovery Housing and \$1,000,000 for NAHTF Workforce Housing Projects as outlined in the Proposed 2020 Qualified Allocation Plan (QAP). Although, both are important and needed projects we feel the NAHTF program is best utilized to address housing needs when the applicants demonstrate the need and feasibility of their projects through the quality of their applications. We would like to see the \$3,000,000 set aside for Disaster Recovery Housing Projects be put back into the Housing Projects category and scored according to the selection criteria for housing projects, and not with its own scoring criteria. The Benkelman CRA feels that the recent federal award to the State of Nebraska for Disaster Recovery should be utilized prior to additional disaster funding being set aside as a NAHTF priority. The Benkelman CRA supports workforce housing, but we do not support setting aside funds to be competed over separately, scored differently, and administered under their own guidelines. We would like to see the \$1,000,000 NAHTF Workforce Housing Projects be reintegrated back into the Housing Projects allocation and scored under the Housing Projects Selection Criteria. With income limits up to 120 percent of area median income, the NAHTF does an excellent job of providing workforce housing as currently designed.

The Benkelman CRA would like to see the selection criteria for Disaster Recovery Housing Projects and for Workforce Housing Projects removed.

Thank you again for the opportunity to comment,
Megan Spargo
Benkelman CRA Coordinator

January 2, 2020

Evan Clark
Housing Specialist – NAHTF & CDBG
PO Box 94666
Lincoln, NE 68509

RE: Public Comment - Proposed 2020 NAHTF Qualified Allocation Plan

Dear Mr. Clark:

First, a note of appreciation to DED and its team of dedicated employees who continue to help make progress happen in Nebraska. Speaking from the front lines, we truly couldn't do it without your support and expertise!

Second, thank you for the Disaster Recovery Housing Grant announced for the City of Wood River in September. We understand that was a special initiative by the State, and created more work for your team. Please know that this funding is instrumental to recovery of workforce housing in our community.

We're taking this opportunity to comment on the Proposed QAP for 2020 in hopes of continuing to build upon past progress and provide constructive feedback to maximize program effectiveness in the future. The insights shared here come from our first-hand experience in flood recovery efforts. Recommended considerations for future disaster recovery housing grants:

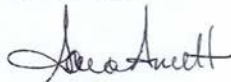
1. Allow the limit invested per home to exceed \$25,000. We understand the lead-based paint rules and arguments about economic feasibility. However, it is our observation that the significant costs of disaster recovery-related repairs cause this limit to create a real hardship for homeowners. With Nebraska's flooding causing damage to foundations, our experience has been that the cost to repair or replace a foundation far exceeds the \$25,000 itself. New foundations on small bungalow-style houses have been running around \$50-70,000. That is undoubtedly exacerbated by the shortage of qualified foundation contractors who can raise the house, tear out the old foundation, pour new, set the house back down, and reconnect all the HVAC, electrical, sewer and water. Were it not for outside philanthropic support, it would be very difficult for homeowners to even repair part of the foundation with just the DED funding.

2. Relax the rule that requires the housing unit be brought fully up to code with the \$25,000 DED funding. Again, many houses could use up most of the \$25,000 allotment on normal OOR activities, let alone covering flood-related repairs. We believe a more reasonable solution would be to return the home to pre-flood condition. If recommendation #1 were a \$50,000 limit that would come closer to making code-related issues feasible, unless of course the house needs a new foundation entirely.
3. How can DED and the community work together to streamline and expedite the award process? When you're working with disaster recovery, the funding needs are immediate. Our award was announced on 9/10/19. It's 1/2/20 and we're still trying to get clearance. Lori Ferguson (SCEDD) and Laura Hart (DED) have worked hard to move things along, but the reality is that it's a very slow go. We certainly appreciate the funding, and acknowledge that this was a new process for DED and the EDAs. However, perhaps our case and eventual program guidelines could result in a streamlined template to improve the efficiency for other communities to follow?
4. Like most rural Nebraska communities, trailer homes have historically served as affordable housing for non-retirees. Trailer homes in our area typically rent for about \$400/mo. plus utilities. Many of these trailers were badly worn prior to the flood, then suffered damage to HVAC ducts, insulation and flooring during the flood. Rented units have been repaired, but some owner-occupied units are being lived in with those new defects because the owner has no other options. The cost to repair exceeds their means and doesn't make economic sense given the low value of the unit.

I suspect many flooded communities are experiencing the same difficulties relative to trailer housing. Landlords don't want to buy new units, and even refurbished used trailers aren't affordable for the typical trailer home owner. Perhaps DED, NIFA and NHDA could convene discussions around what to do with these old trailer homes in terms of improving the safety of the housing stock without causing monthly rents/ownership costs to go through the roof? I'm well aware there are no easy answers, but I would be glad to listen to experts' insights on possible solutions.

We appreciate the opportunity to comment, and would be happy to discuss any of these items further upon request.

Sincerely,



Sara Arnett
Wood River Vision 2020 Inc. Board &
Heartland Disaster Recovery Group Chairperson

Evan

During the public meeting I said that special use Housing (flood victims, etc.) should not be separated from the Regular Housing applications. Later it was noted that regular Housing wouldn't score well against special use Housing. Given that fact I withdraw my comment that all Housing should be combined. Separate the different uses but make the monies stay in the Congressional district.

Thanks

Mike Gawley, Executive Director
Holy Name Housing

Keith County Housing Development Corporation 2020 QAP Comments Comment Timeframe

The timing of the comment period could be changed to give more people the opportunity and time to comment. The holiday season is very busy and finds most people out of the office for extended time periods, therefore making it difficult for them to take the time to read the proposed plan and typed comments. Opening the comment period earlier in the year might be better for all.

Technical Assistance Awards

The restriction of awarding one Technical Assistance Grant per congressional district just doesn't make sense. The 3rd district covers A LOT of area and could benefit greatly from an increase in technical assistance for housing purposes.

Electronic Submission

We congratulate the Department of Economic Development for their intention to implement an electronic submission process for the 2020 NAHTF and acknowledge that this will likely be a challenging and difficult implementation process.

Two-Year Application Period

We suggest that in the future DED provide the proposed plan a year ahead of the award period to allow applicants more time to prepare projects. Alternately, DED could produce two-year plans but maintain annual application cycles. Producing a two-year Qualified Allocation Plan (QAP) could reduce some recurrent work for DED while providing applicants more time to prepare projects. As long as funds are awarded annually and allocation amounts are updated to reflect the documentary stamp tax receipts, a two-year QAP should comply with the requirements of the statute.

Charles P. Wortman

executive vice president mortgage banking

Adams Bank & Trust

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Mary Wilson
Executive Director
Keith County Area Development

Office: (308) 284-6623
Cell: (308) 289-1077
mary.wilson@kcad.org



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Sarah Havermann
Vice President / Branch President
NMLS #568732

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Ogallala, NE 69153

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f: 308.284.8290

SandhillsState.com
Facebook.com/SandhillsState

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recurrent work for DED while providing applicants more time to prepare projects. As long as funds are awarded annually and allocation amounts are updated to reflect the documentary stamp tax receipts, a two-year QAP should comply with the requirements of the statute.

Myrna K Spurgin
Vice President
Pinnacle Bank Ogallala
201 E 2nd PO Box 179
Ogallala, NE 69153
NMLS 674867

Phone 308-284-6023
Fax 308-284-6028

My comment on Allocation Plan is as follow:

"As a member of the Executive Board for the Long Term Recovery Group for Cass County Nebraska, I have been working with the community members who have been severely impacted by this most recent disaster, the loss that these individuals and families have incurred is immense. In the interest of rebuilding this community, I support the directed funds for the disaster recovery housing project".

Vr,

Tandra

Tandra M. Sudman | Cass County Long-term Recovery Group
casscnty.ltrg@gmail.com | 402.297.1873
PO Box 49, Murray, NE 68409

Hello Evan.

Thank you NDED for giving us the opportunity to comment.

Thank you,

Dennis Burnside
Assistant City Manager
City of Lexington

406 E. 7th Street, PO Box 70
Lexington, NE 68850
308.324.2341 (office)

On behalf of the Central Nebraska Economic Development District, and the Central Nebraska Housing and Economic Developers, Inc., I would like to provide the following public comment regarding the 2020 NAHTF Qualified Action Plan.

1. I support the commitment of \$3 million towards Disaster Housing Recovery efforts. Continued focus on addressing the disaster housing needs of the state is vital, and setting aside funds for those efforts will be critical for many communities. While we know that there are additional HUD Disaster Recovery funds being awarded to the State, I suspect the funds will be limited to households at or below 80% AMI, and will have strict guidelines to follow. Having the \$3 million in Trust funds, aimed at 120% AMI and below, will allow communities to serve more households and allow flexibility that the HUD funds will not. I do recognize that language is included in the QAP that would allow the transfer of funds from disaster house to the general Housing Projects allotment, should there not be sufficient funding requests for disaster housing funds.
2. I support the maximum of \$500,000 per project, with the opportunity for additional funds if there are no other eligible applications to utilize the remaining funds in that congressional district.
3. I support the allocation of \$1 million for NAHTF Workforce Housing projects, allowing for urban communities to apply. I would encourage the Nebraska Department of Economic Development to ensure that the project requirements mirror the Rural Workforce Housing Fund program.

Thank you for giving us the opportunity to provide public comment! If you have questions, please do not hesitate to call or email.

Judy Petersen, Executive Director
Central Nebraska Economic Development District, and
Central Nebraska Housing and Economic Developers, Inc.
P.O. Box 201, Chambers, NE 68725
402-340-0106
judy.petersen@cnedd.org
www.cnedd.org

Evan,

Thank you for your efforts on the 2020 Proposed Qualified Action Plan for the Nebraska Affordable Housing Trust Fund.

More definition around the intent, utilization, and distribution of funds for disaster recovery housing would be helpful. Conceptually, I do believe this to be a thoughtful allocation of state resources. As many communities are entering a period of long term rebuilding of essential housing inventory, these funds will likely be needed now more than ever in those communities that were impacted by the flooding. For those of us not living in those communities, the impact of last year's flooding can be easy to forget.

I am similarly supportive of the set aside for workforce housing. What we continue to see within the boundaries of the regular funding cycle are similar concepts and similar activities funded on an annual basis with fewer and fewer units being constructed due to increasing costs. Pulling funds out into a

separate cycle and scoring them differently allows DED, our state's housing developers, and the developers of public policy to learn new and different ways to finance and encourage affordable housing.

The Blueprint effort highlighted the need for 30,000-50,000 new units across our state. Looking at the historical performance of the NAHTF, we are simply not going to get there with current resources and/or current practices. We must pursue new and innovative ways to meet our state's housing needs, so I applaud DED's efforts to try something different.

Best of luck in the upcoming cycle!

Dave



DAVE RIPPE

e. dave@queencityne.com

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m. 721 W 1st Street, Hastings, NE 68901

I am associated with the Greater Dodge County and Fremont LTRG. I have become aware that the Nebraska Affordable Housing Trust Fund (NAHTF), administered by the NE Dept. of Economic Development (DED), is seeking public comment on plans for the \$10.3 Million to be allocated in 2020.

I support these funds directed to disaster recovery housing projects. Many homeowners in our community were devastated with flooding and have been overwhelmed with the work and expense of repairs to recover.

Sincerely,
Pastor Al Duminy
Sinai Lutheran Church
950 East 8th Street
Fremont, NE 68025

Dodge county is very much in need. Please direct funds to disaster recovery housing projects. I have met many homeowners in our community were devastated with flooding and have been overwhelmed with the work and expense of repairs to recover.



Jacki Trujillo

**Volunteer Coordinator and
Donations Management for LTRG**
Fremont Area United Way
445 E. 1st St #1
Fremont, NE 68025
402-721-4157

Dear Mr. Clark,

The North Platte Area Chamber and Development Corporation, which is in partnership with the City of North Platte and Lincoln County along with our 600 private business members, also strongly supports the comments provided by North Platte businessman and community leader Ty Lucas in the testimony he provided recently on the 2020 NAHTF Qualified Action Plan (attached below my comments).

As a long time economic development professional in Nebraska, I've been a strong advocate of the Nebraska Affordable Housing Trust Fund since its initial legislative inception and implementation. Communities I've represented during that time have greatly benefited from its availability. It truly has become the most effective funding partnership ever implemented for affordable housing between the State of Nebraska and its many communities statewide. The only disappointing aspect of its very successful track record, was having some of its original intended funds diverted away by state leadership from its affordable housing use for other state funding deficit issues.

In addition to the many traditional funding programs NAHTF provides to organizations such as the Lincoln County Community Development Corporation based here in North Platte, the recent workforce housing initiative through the Rural Workforce Housing Fund program was very impactful. It has allowed all Nebraska communities to be creative in our respective approaches of trying to positively impact the daunting issue facing housing availability and affordability. To find sustainability of the RWHF initiative through additional funding allocation would be a welcomed by our rural communities.

We sincerely appreciate the Department of Economic Development's open mind when it came to funding the North Platte "Shot in the Arm" Phase 2 housing program, and allowing us to "incentivize" developers without the cumbersome task of implementing a revolving loan fund. As Mr. Lucas has eloquently explained, we have found this to be an effective way of energizing speculative housing construction.

We appreciate the dedicated and professional staff at DED for helping all of us grow our new housing stock and addressing our aging inventory. Thank you for allowing us to comment on this year's action plan and we look forward to carrying on our successful partnership.

Best wishes for a successful 2020,

Gary Person
President & CEO
North Platte Area Chamber & Development
502 South Dewey
North Platte, NE 69101
308-532-4966 office
308-249-0900 cell
gary@nparea.com
www.nparea.com

To Whom it May Concern,

I'm offering some feedback on the Housing Recovery Funds. I work for the Heartland Disaster Recovery Group, a long-term recovery group that serves Hall, Howard, Hamilton and Merrick Counties.

I am offering my support of these funds directed to disaster recovery housing projects. The flood impact in the communities we serve, specifically in Hall and Howard counties, has overwhelmed many homeowners. The financial stress and work to repair and recover is significant and many homeowners are left living in the midst of the damage while they try to make repairs themselves.

In my work with Wood River, who received early word that they would be awarded \$500,000 in housing disaster recovery funds, I have seen how the snail like pace that funds are being released to communities is actually impairing recovery. I know that at all levels entities are learning how to respond and adjust to the urgent needs across the state, but the restrictions on the grant (that work cannot be in progress and reimbursements for work will not happen) create a challenge for communities if funds are not released at a faster speed. Additionally, I would encourage a review of the max grant dollars that individual homeowners can apply for. When we help homeowners with foundation issues, the cost is well beyond the \$25,000 max grant limit that Wood River is working with.

Thank you for making these funds available for communities.

Sincerely,

Elizabeth Troyer-Miller
Heartland Disaster Outreach Coordinator

1441 N Webb Road
Grand Island, NE 68803

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C (574) 304-6548
F (308) 382- 2679



Funds should be distributed to help communities based on dollars of damages sustained by flooding taking into account community income levels. With the focus on mitigation and future flood prevention. Elevations of rebuilding can prevent any future projects. Funds should focus on helping housing develop out of flood plains. That means relocation projects. Why would we continue to locate into danger? The duration of flooding needs to be taken into account. This money should not be used to rebuild floodplain but assist development out of flood plain or areas that flash flooded.

Assistance should be given to communities that don't have resources to pursue this funding that are in need. Rural areas should not be overlooked. Restriction on the amounts that can be consumed by overhead not real development. This can be used as a way to develop a positive future. Leroy Hollmann Chairperson Village of Verdigre. Our community is an example of small rural communities needing help. When I refer to overhead wastes. I get paid \$50 a month.

A final thought. Perhaps you were looking for a specific idea. It would be great for our community to be able to develop an area up on the hill to build houses. Our flood plain was affected by flash flooding.
Leroy

Leroy Hollmann
leroymusic1978@gmail.com

I would like to offer the following for public comment to the NAHTF QAP:

We would like to see the money allocated for Disaster Recovery Housing projects to be included in the proposed Housing Project funding category. A Disaster Recovery project check-box could be an easy addition to the application form.

Once applications are received and awarded, please make ranking sheets readily available to grantees. This will create more transparency as to how the applications are ranked and scored. Then be available for additional technical assistance so grantees can effectively prepare for another application the next funding cycle.

DED needs to hold Housing Training for all who are interested in implementing a housing program within their community. Hold the training at a time that gives communities ample time to prepare, and get a sustainable plan in place. We see applicants feel rushed to complete an application with not enough time to create an effective program before submitting an application.

Thank you!

Ashley Weesner
MA **Miller & Associates**
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Kearney, NE 68847 | 308-234-1146 (f)
www.miller-engineers.com
aweesner@miller-engineers.com 

Evan,

Thank you for allowing public comments on the NAHTF 2020 Qualified Allocation Plan.

My comments include the following:

1. Continue to allocate no less than 30% of NAHTF monies to each Congressional District. This allows housing opportunities in rural and urban areas.

2. In a digital era, submitting forms electronically is a great alternative to traditional paper applications plus helps the “green” environment.
3. Make available to the public the final score/ranking results of all applications in their respected category once awards are announced.

Joene Crocker



Dear Evan,

I am a member of the Steering Committee of the Northeast Nemaha County Long Term Recovery Group. On behalf of our group, I am providing input on the 2020 distribution plan for the Nebraska Affordable Housing Trust Fund.

We support the proposed distribution plan and especially the continued devotion of resources to communities recovering from the March 2019 flood.

The impact of the flood is still being felt in Peru and in many other communities. The need for improved housing, already significant in rural Nebraska, has been exacerbated by the flood. In Peru, many of the people directly affected by the flood have relocated to other communities. Improving housing will be an important way to draw new and returning residents to Peru.

Peru is working to create long-term disaster resiliency as we continue to address the immediate needs of disaster recovery. Improved housing will strengthen community vitality, support economic development and help make Peru a more disaster-resilient community.

Disaster recovery will take years of effort and investment. We support the NAHTF’s proposed funding allocation, especially its disaster recovery allocation, and hope that the NAHTF will consider future allocations to disaster recovery as well.

Sincerely,

Becca Jewell
Interim Chief Executive Officer
Peru State College Foundation
PO Box 10
Peru, NE 68421
rjewell@peru.edu
Mobile: 402-326-3613
Office: 402-872-2304

Dear Mr. Clark and the Nebraska Affordable Housing Trust Fund,

Habitat for Humanity of Omaha is pleased to partner with NAHTF and DED in efforts to increase affordable housing in Nebraska. We are proud to work in Douglas, Washington, Burt, and Sarpy Counties through our new construction, purchase rehab resale construction, and home repair programs. Habitat Omaha has built 89 new homes; purchased, renovated, and sold an additional 80 homes; and made repairs to 132 homes in partnership with NAHTF. We are proud of what NAHTF funding has allowed us to accomplish.

Our comments in response to the QAP are as follows:

Disaster Recovery Housing Needs

Habitat Omaha understands the need for disaster recovery funding as we were immediately involved in flood relief and recovery efforts. However, we strongly recommend that any funding allocated for disaster recovery be routed through traditional NAHTF housing allocations. A separate flood allocation/program would create an unnecessary burden for non-profits, reducing efficiency while increasing expenses. The requirement to complete two separate applications to perform the same work would be incredibly cumbersome and limit the impact that could be made toward recovery. Habitat Omaha has built a robust infrastructure for our repair program. We have the ability to scale and meet the need created by the March 2019 floods. Therefore, increasing NAHTF allocations within the regular funding pool would be more impactful than a separate flood allocation.

Transition to Electronic Submissions

Habitat Omaha is pleased with this major step forward. Our applications have totaled more than 300 pages; this change will save time and resources for organizations and the environment. We look forward to this more efficient process.

Removal of Tier II Review for Owner-Occupied Rehabilitation Projects

Habitat Omaha supports a removal of the Tier II review requirement for Owner-Occupied Rehabilitation (OOR) projects when said projects are limited in scope to critical repairs. Many of our projects under OOR are repairs of damaged siding, replacement of HVAC systems, replacement of leaking roofs, and repairs of leaking toilets or sinks. Current requirements mandate that we complete a full Tier II environmental review of these properties, including issues such as noise pollution that are irrelevant to such projects. These 100-300 page reviews are an undue burden and significantly impede the work being done for an owner who is already living in their home and in desperate need of a home repair. We welcome any change that would help us serve these homeowners more efficiently.

Thank you for the opportunity to provide comments; we look forward to improved processes that will help us make greater impact.

In partnership,

Amanda Brewer | CEO

Habitat for Humanity of Omaha | 1701 N. 24th Street, Omaha, NE 68110

p (402) 884.5970 | f (402) 457.4012

abrewer@habitatomaha.org | habitatomaha.org

Good Day Mr. Clark,

Thank you for the opportunity to comment on the NAHTF and DED allocation of 3 million in aid for Disaster Recovery as it relates to housing.

I sit on the State VOAD, as well as the Heartland COAD (Sarpy/Douglas) Counties in addition to being the lead for construction/repairs for the Sarpy County Long Term Recovery Group and an advisor on Housing repairs and such to the Douglas County Long Term Recovery Group.

The most effective way and efficient means to allocate funds towards getting families who were affected by the flood is through the leverage of existing home repair programs that exist at the Habitat Omaha (covering Sarpy, Douglas, Burt and Washington Counties) as well as the Habitat Fremont (covering Dodge County). Dodge, Sarpy and Douglas were 3 heavily affected areas with more than 400 affordable homes destroyed in Sarpy County alone and hundreds more damaged to varying degrees.

Allocating funds to the Habitat Home Repair Programs can leverage off already existing no interest loan programs and double the amount of work that a homeowner can have done to facilitate getting families back into their homes.

Habitat Omaha and Fremont have been working flood response and recovery since day 1 and will continue to do so until as long as the need exists and there are funds available to assist.

Your consideration in allocation of funds through the Habitat Affiliates is greatly appreciated.

Mark Coffin I Veteran Outreach Coordinator
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Sarpy County has lost ~400 homes due to the March 2019 floods. This, in of itself, would be devastating to any community, but there was already a significant safe and affordable housing shortage in Sarpy County prior to the flood event. In addition, several landlords/property managers saw an opportunity to increase their bottom line, thereby no longer offering subsidized housing to those families who need it most. This forced even more family into the market for affordable housing in Sarpy County in an area where there was already a large deficit. Property owners also saw this as an opportunity to increase rent knowing that families needed a place to stay forcing families to pay increased rent (smaller space), often while still under financial obligation to the previous landlords/property managers.

Safe, appropriate and affordable housing for Sarpy County is at a huge deficit to meet the IMMEDIATE needs of our communities. This impacts families who are now forced to move outside of our county affecting our schools, tax base and families who have to drive further to work, school, hospitals, etc. Due to lack of affordable housing we are seeing families expending more money for housing thereby creating financial crises for many families.

We are in the process of meeting with each of the 1000+ families impacted by the floods to determine their immediate unmet needs and to assist them in finding housing, securing food and clothing, and walking along side them in their recovery.

Jeff Weaver, Executive Director
Sarpy Disaster Recovery

Office: 402.885.8589
Cell: 402.981.329

I support these funds directed to disaster recovery housing projects. Many homeowners in our community were devastated with flooding and were overwhelmed with the work and expense of repairs to reestablish safe, sanitary and secure living conditions.

Mike Kelly

Saunders County LTRG
Chairman

Dear Mr. Clark,

I am very interested in Housing in Western and Central Nebraska because I think it is a key element to reducing loss of population and “brain drain” from communities such as North Platte, where I reside. I am providing these comments from a perspective that wears various hats. I am the Chief Lending Officer for NebraskaLand National Bank in North Platte / Kearney, I am a City Council member in North Platte, and I have previously served on the Board for the North Platte Chamber/Development Corporation and the Nebraska Banker’s Association Housing Task Force. So, my comments are a from a combined perspective of these roles.

I was pleased to read the proposed annual allocation plan for the Nebraska Affordable Housing Trust Funds for 2020. Here are my comments on the proposed plan:

I appreciate the high percentage of the funds that are estimated into Housing projects and flood disaster recovery. I agree with the \$500,000 maximum designation per project, this is a sufficient amount of funds to do meaningful projects but allows a significant number of projects to be completed.

Based on the plan, it appears that DED will provide preference to Opportunity Zones, Enterprise Zones and Extremely Blighted Areas. I would also request for Blighted Areas to be considered for preference because Blighted Areas are specifically designated for redevelopment projects by the local control of the city or town that designates the Blighted Zone. This designation has the most localized decision making on its designation and therefore should be considered as a priority because it has a more local opinion on the desirability of the location in the local market conditions.

The prior trust fund designation for Workforce Housing was very successful in North Platte. I encourage as much allocation to workforce housing as you are allowed to allocate because I see Workforce housing supply increase as a tremendous priority that does not have many other funding sources. As in this proposed plan, community based non-profit agencies are eligible for grant applications, which I am in favor of. In North Platte, our Chamber/Development Corp has been an instrumental leader for meaningful community housing projects. The \$275,000 cap for the market value of workforce housing is a double-edged sword. The positive of this cap is that it makes the programs look more publically favorable and keeps the direct dollar focus on workforce housing. I find that most people try to buy a home at 2-3 times their annual income, so this targets households of \$92,000 to \$137,000 in annual household income. However, it is very difficult to complete any single family new construction for under \$240,000 to meet the buyer’s expectations for quality, location and size. Therefore, projects with the \$275,000 cap create a large concentration of houses in the \$240,000 to \$275,000 price range. If this cap was moved up to \$325,000, I think it would still serve the intended purpose and would allow for less

concentration of houses in a smaller range of price. In North Platte, we have found that many people who buy a \$240,000 to \$350,000 new home are often selling a home in the market that ranges in price from \$80,000 to \$200,000. So, the affect is an increase in housing supply for people with lower household incomes who are the perfect buyers for the homes being sold, many of which are very desirable. New construction at a price under \$240,000 will likely either lack market desirability or will be more heavily subsidized than it could otherwise be. So, I recommend raising the cap on workforce housing to create more houses in a broader price range, so more people will move into these houses and create more availability in the range below this by people within the market moving up in home price and creating more inventory for Workforce housing. It has been proven in North Platte that by slightly subsidizing the upper end of pricing for workforce housing at \$12,000 per house, you can create more and better inventory at the lower price ranges for Workforce housing. In North Platte, we have also proven that quality rental property supply will improve when Workforce housing is created. This allows better opportunities for lower income households to rent or purchase high quality housing. By improving the supply in the middle price ranges of housing in a community, you will naturally move up the quality of supply in the lower tier of house pricing. This will also create more vacancy in substandard housing that has been experiencing lower vacancy rates, which will push landlord's to improve substandard property so it can be rented.

Renovation of existing housing is a key component to improving workforce housing supply because it allows creation of desirable and affordable housing without the necessity to build new infrastructure. Therefore, I would recommend prioritization to projects that have a housing renovation component because they have the opportunity to provide better value with the elimination of infrastructure costs. These projects also tend to eliminate blight and spur neighboring properties to renovate. I especially welcome subsidy of renovation projects in designated Blighted redevelopment areas because renovation projects do not move the tax increment enough for TIF to be effective unless the renovations are very significant.

I was pleased to see that a requirement of Grants application expecting a Revolving fund component was not too highly specified in this plan. Obviously, it is ideal if a grant program has a revolving aspect because it will then replenish itself. However, there is an abundance of housing related finance programs out there which contain very low interest rates and very low down payment. Therefore, a revolving fund has the risk of only attracting projects that have poor credit parameters or poor financial dynamics or that are over subsidized. Therefore, I appreciate that this is not a requirement of all grant applications. In North Platte, we have found that having a small incentive per house at \$8-12,000, that is not revolving, is very effective because more houses can be built quickly. Then our town and state also receive all of the immediate benefits of sales tax, labor wages, etc. that are associated with the construction of a home. I am not against revolving fund projects, because it is a very good strategy in certain cases, but I am supporter of keeping an open mind as to whether a project must have a revolving fund aspect to it or not. I think North Platte's Workforce Housing program has provided proof that a project can be very beneficial for all involved without a revolving fund included.

I thank you for the opportunity to provide comments. I truly appreciate the allocation that North Platte received for Workforce housing and feel that it made a material effect on our housing supply. I also appreciate the focus of your team on improving housing in outstate Nebraska because it is crucial for future Economic Development,

Sincerely,

Ty J. Lucas
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Evan: Thank you for this opportunity to offer comment on the proposed QAP for NAHTF.

We acknowledge a large portion of Nebraska was hard hit with the recent disaster event. We also recognize there will never be enough funding available to provide 100% assistance to Nebraska's residents to make things whole again. However, with the recent influx of \$108.9 million of Federal Disaster Recovery funds from HUD along with previously announced disaster recovery funding, WCNDDD opposes the setting aside of \$3,000,000 NAHTF for Disaster Recovery Housing as proposed in the 2020 QAP. We request putting those funds back into the Housing Projects category.

CJ Poltack- Executive Director

West Central Nebraska Development District, Inc.
308-284-6077



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