

2021

NEBRASKA AFFORDABLE HOUSING TRUST FUND

QUALIFIED ALLOCATION PLAN FINAL

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
EFFECTIVE JULY 1, 2021 - JUNE 30, 2022
(2021 PROGRAM YEAR)



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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 2021 proposed QAP with significant input gathered through *Blueprint Nebraska*, which included participation from 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 Fund (HOME), National 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 and recommendations for the 2021 program year were specifically discussed at the September 16, 2020, NCHH Commission quarterly meeting. A detailed presentation outlining the proposed 2021 QAP was presented at the November 18, 2020, NCHH Commission meeting.

Public Comment Process

The proposed QAP for 2021 was made available for a 30-day public comment period beginning on December 2, 2020. A virtual-only public hearing was conducted on December 16, 2020 at 2:00 p.m. central, via WebEx. 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 2021 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.

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 2021. Disaster Recovery Housing projects are determined to be of critical importance.

The Nebraska Affordable Housing Trust Fund is a resource with a major role in achieving this goal and enabling communities and businesses to address their housing needs. Priorities for the 2021 NAHTF program include:

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

Nebraska's 2020-2024 Consolidated Plan for Housing and Urban Development (HUD) federal programs was finalized in June 2020. Housing continues to be a priority need for federal programs overseen by DED. NAHTF goals and priorities are integrated into the 2020-2024 Consolidated Plan.

Allocation of Funds

DED anticipates a 2021 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 \$704,611 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 following table outlines the proposed distribution of NAHTF funds for the 2021 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	
\$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 2021 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 are discretionary funds, have no restriction with regard to congressional district distribution and can be used at the discretion of the Department.

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

The 2021 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.

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 **2021 NAHTF pre-applications will be submitted electronically via AmpliFund**, an electronic management software system. Pre-applications must be submitted to DED electronically on or before the specified due date of February 23, 2021. **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 **2021 NAHTF applications will be submitted electronically via AmpliFund**, and electronic management software system. Applications must be submitted to DED electronically on or before the specified due date of April 29, 2021. **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.

2021 NAHTF ANTICIPATED TIMELINE	
<u>Anticipated Date</u>	<u>Action</u>
Wednesday, November 18, 2020	NCHH Quarterly Meeting to Review Proposed 2021 QAP
Wednesday, December 2, 2020	Proposed QAP Posted & Open Public Comment Period for QAP
Wednesday, December 16, 2020	Public Hearing on QAP
Tuesday, January 5, 2021	QAP Public Comment Period Ends
Wednesday, January 20, 2021	Final QAP Posted
Thursday, January 21, 2021	2021 NAHTF Application Guidelines Posted
Tuesday, February 2, 2021	2021 NAHTF Pre-Application Workshop (web streaming)
Tuesday, February 23, 2021	2021 NAHTF Pre-Applications Due
Thursday, March 4, 2021	2021 NAHTF Application Workshop (web streaming)
March 8, 2021 – March 19, 2021 (Dates/Locations to Be Determined)	2021 NAHTF Application Workshops (4 in person - one per region)
Tuesday, March 23, 2021	2021 NAHTF Application Workshop (web streaming)
Tuesday, March 30, 2021	Rental Budgets and Proforma’s Submitted
Thursday, April 29, 2021	2021 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 2021 program year, Disaster Recovery Housing Projects (must be included in DR-4420) and projects resulting in new units are determined to be of critical importance and are included in the Housing Projects Funding Cycle.
- Infrastructure projects necessary for the development of affordable housing (support activity implemented in conjunction with the development of affordable housing only)
- 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, however points will be awarded for cash match committed to NAHTF Housing Projects. Applicants providing cash match recognize that only project related costs incurred by the applicant are eligible. All cash match must be incurred by and expended by the DED recipient during the contract period prior to drawing NAHTF funds. Cash match points will not be awarded for general administration, housing administration and/or project related soft costs.

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 match, 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	
Criteria	Points Possible
Project Design	100
Need and Impact	100
Project Financing	125
Capacity and Collaboration	75
Disaster Recovery DR-4420 (must be reflected in narratives)	50
Affordability Period <ul style="list-style-type: none"> • 5 years = 0 points • 6 years = 5 points • 7 years = 10 points • 8 years = 15 points • 9 years = 20 points • 10+ 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 TECHNICAL ASSISTANCE	
Criteria	Points Possible
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.

Additionally, applicants with current DED Housing awards through the NAHTF, CDBG, HOME, and/or HTF program must meet the milestones outlined in the table below by the due date of the pre-application (Tuesday, February 23, 2021). If these milestones are not met by Tuesday, February 23, 2021 the applicant must provide a detailed plan with their pre-application outlining how housing awards will be in compliance with the milestones by the date of full application (Thursday, April 29, 2021). DED will consult with applicants on a case-by-case basis if necessary. Applicants not meeting the milestones outlined in the table below by Thursday, April 29, 2021 will not be eligible for funding in the 2021 NAHTF application cycle. NOTE: HOME and HTF projects funded in the 2018 Program Year and earlier must comply with the Milestones listed below. All HOME and HTF projects funded in the 2019 Program Year must have achieved Release of Funds prior to April 29, 2021. All HOME and HTF projects funded in the 2020 Program Year must have a fully executed contract by April 29, 2021.

Program Year	Milestone
2017 and earlier	100% of funds drawn <u>and/or</u> final reports submitted to Department (i.e. Final Performance Report and Final Financial Report)
2018	50% of funds drawn
2019	25% of funds drawn
2020	Must have achieved Release of Funds

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.

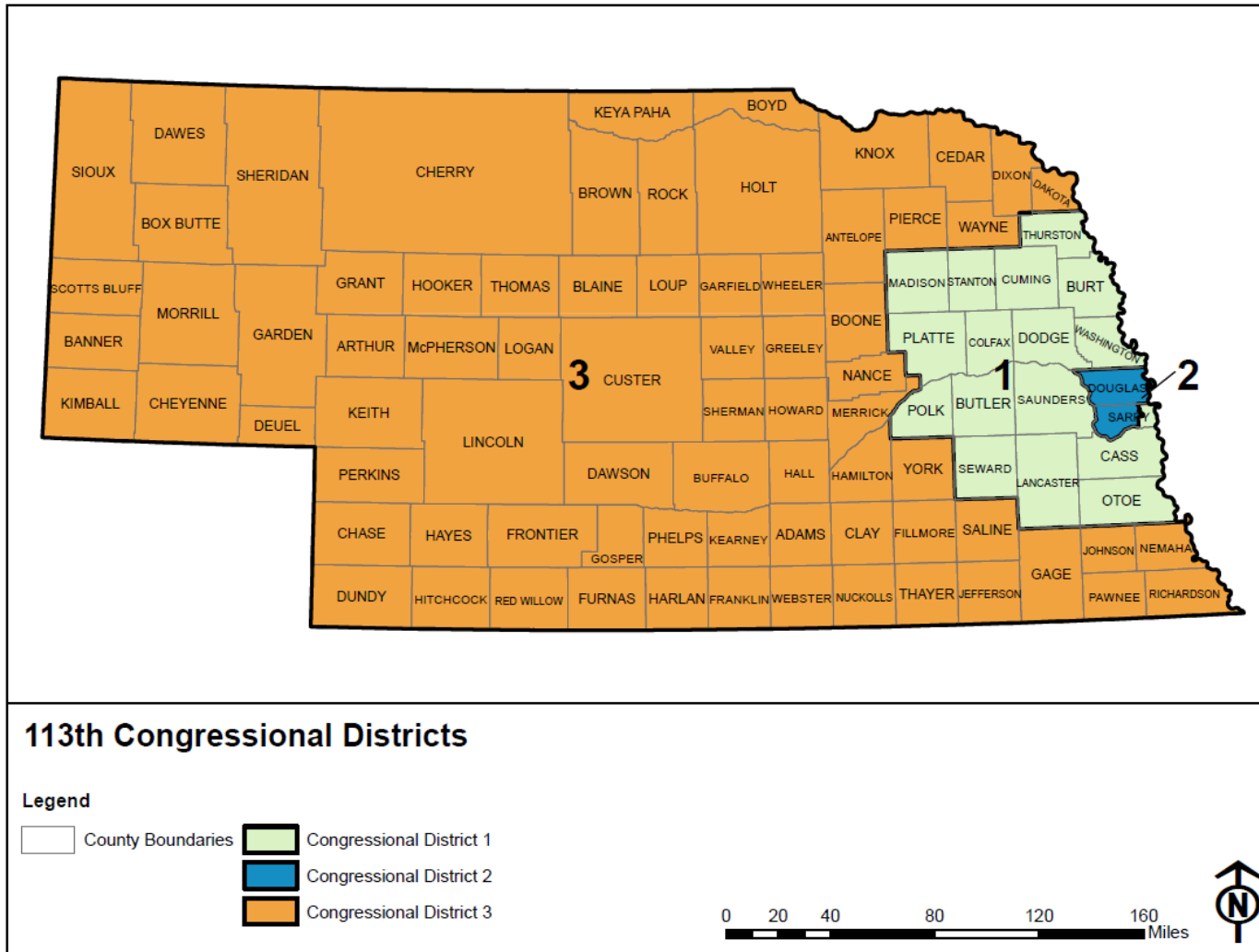
Housing Contact Information

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
evan.clark@nebraska.gov
opportunity.nebraska.gov

Lynn Kohout, Housing Manager
 Nebraska Dept. of Economic Development
 301 Centennial Mall South
 PO Box 94666
 Lincoln, NE 68509-4666
 (402) 440-2599 or (800) 426-6505
lynn.kohout@nebraska.gov
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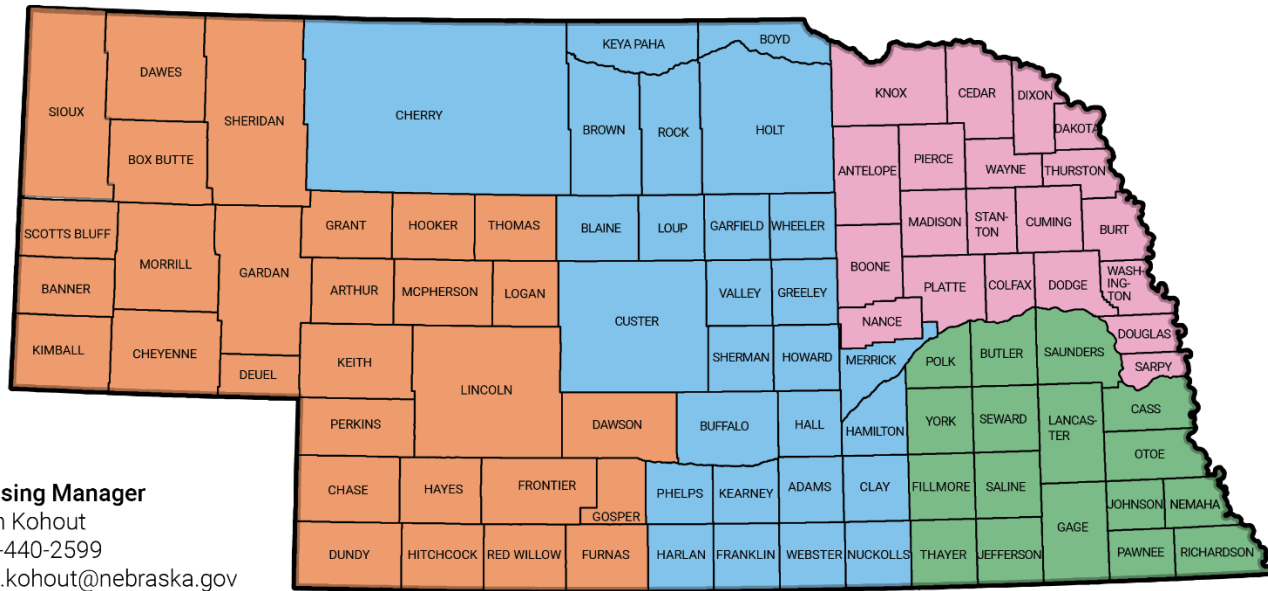
Attachments

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
Kylee Bischoff
402-471-2843
402-800-7058 (Cell)
kylee.bischoff@nebraska.gov

Compliance Coordinator (HOME & HTF)
Kara Lacey
402-471-3742
531-207-4054 (Cell)
kara.lacey@nebraska.gov

Compliance Coordinator (NAHTF)
Ben Mellema
402-471-4168
402-405-6116 (Cell)
benjamin.mellema@nebraska.gov

Western
Kristi McClung
308-889-3420
308-289-3935 (Cell)
kristi.mcclung@nebraska.gov

Central
Laura Hart
308-202-0177
laura.hart@nebraska.gov

Northeast
Barb Pierce
402-719-0030 (Cell)
barb.pierce@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 Wednesday, December 16, 2020 at 2:00 p.m. central, via WebEx:

Evan Clark opened the meeting to Public Comments: So, if anyone would like to make a public comment or has a public comment you can unmute yourself, please identify yourself and provide the organization you are with and then go ahead and provide the comment.

Kathy Mesner- Something we have been talking about at the last several statewide housing meetings, just the fact that the Nebraska Affordable Housing Trust Fund was funded originally to give us some more flexible housing dollars in the state and although it's not just a huge amount of dollars in terms of what it takes to build housing. It can in many cases be enough to use as gap financing or maybe as a primary source for smaller projects, gives us an opportunity to serve a wider group of individuals. Having said that, in the past I know that we have used Trust Fund money to match HOME dollars and I understand that we are not proposing to doing that and I think it's a good idea, because when you use Trust Fund money to match HOME dollars then you have to attach all of the federal restrictions and requirements to those matched dollars. What I do want to say is that being involved in the tax credit world there are times when the gap funding that we need in certain Low-Income Housing Tax Credit projects, we need that funding to be non-federal funding. And the reason we need that is, because there are times when the federal funding puts too many requirements, whether its environmental requirements or some other kinds, it puts too many requirements on a project and we can't use federal dollars to fill the gap. So, in the past, and I can't tell you how long it's been, we have used non- Trust Fund match dollars as gap financing for Tax Credit projects that need gap funding that is not federally restricted. And, I think that it's important for us and the advantage of that is it allows us to make our federal moneys or Tax Credit moneys go farther and it gives flexibility to projects that we don't have with other sources of gap financing in the state. And so, what I would like to see us do is make a change to the QAP that sets aside some dollars that can be used for gap financing for Low Income Tax Credit projects that cannot utilize federally sourced gap financing dollars and if you want to put a cap on that say \$750,000 maybe per Legislative District and see whether that gets us where we need to be, I think I would be in favor of that. The main thing is that there are certain Tax Credit projects that are good projects that just cannot meet all the restrictions of federal gap financing dollars and that's one of the reasons why we put together the Nebraska Affordable Housing Trust Fund, so we had a pot of money that was flexible and that didn't have to meet all of the restrictions that federal dollars that HUD puts on federal housing dollars. I'm sure that was clear as mud, but I think you guys understand the point I am trying to make with this and I hope other people will chime in, because I really think this is an important issue in the state. Thank you.

Carly Davis with Hoppe Homes- I just really wanted to second what Kathy just said about the need to have some of the money set aside for the gap financing on the LIHTC projects that can't use the federal funds. Just wanted to agree with her that we also feel that is really important. Thank you.

Rob Woodling with Foundations Development- Just wanted to also echo what Kathy and Carly had to say that with the Housing Trust Fund we have an opportunity to have some funds that are flexible that can be used as gap financing for different projects and in different ways where the federal funds are not feasible due to a myriad of reasons. There are certain communities that you know the entire community is by a railroad track. So there are some issues there with federal funds that I think those towns and those

communities still should have the opportunity to have access to some of these affordable housing funds and gap funding to make projects work in those communities as well. So, I would echo what Kathy and Carly said that the idea of breaking off some of these Trust Funds into a more flexible pot would be beneficial for the state.

Cindy Koster with Midwest Housing Equity Group- We're a tax credit syndicator and I was in development prior to this, so I have seen these trust funds used since 1996 when we got the first ones on Robin and I's CC. And I can tell you there have been several times and several discussions we've had to flip out the HOME funds for the Trust Funds, because the project didn't work with HOME funds. Rob had one and I think we've had Darin has had some. Mike Gawley is on the call as well and I think some of the Holy Name projects have had the same issue come up. They are invaluable to the Tax Credit projects to go forward. The National Trust Funds and the HOME funds just have too many restrictions on them which we are actually running into again right now, so it would be great if we could get a big pocket of that money back into the 9% credits. Thank you.

Mike Gawley, executive director of Holy Name Housing- We are a developer of using both Low Income Housing Tax Credits, Trust Funds, National Housing Trust Funds and HOME funds. I have found that most of the rules that pertain to HOME funds, the Department applies those to Trust Funds, so I have not found it any more flexible. What I like about the Trust Funds is, I can serve a different population, income population of tenants that I cannot serve with Low Income Tax Credits. We have a lot of people who need affordable housing whose income is too high for Low Income Tax Credits, but still need affordable housing and the Trust Funds work for that. I can use more Trust Funds than I get each year to satisfy that niche, so I kind of like the way it is. Sorry to be against the rest of my cohorts there, but usually I am on the same page as them. Anyway, that's my comment.

Darin Smith with Arch Icon- I would like to echo all the previous comments regarding adding back Housing Trust Funds as a gap filler for Low Income Housing Tax projects. I am not sure of the amount, \$750,000 to a million dollars. Not to take away from Mike and other developers using them to serve the 80% populations as possible. As with any source of funds there isn't enough to go around, but it's a good gap filler, so how much can you get back into the LIHTC program and how quickly can you get that done, I think it would benefit more than you can imagine. Thank you.

Andy Long with McCook Economic Development Corporation- I appreciate the opportunity to provide comment and really appreciate the support from all the DED housing staff especially Kristi McClung out in our area who is invaluable to all the work we do out here. I just really feel like out in the rural parts of the state developing our human capital around housing is almost as important as financial capital. I would just like to encourage in the future if there is more money available for non-profit technical assistance, especially to help some of the regions that haven't qualified for the housing projects in the last couple years. I also know some projects are kind of a preference for housing studies in the last 5 years. For some of the rural communities especially under 50,000 people that can be a major expense and sometimes in our communities not much has changed in the last 10 years, so just being able to accept housing changes within the last 10 years would be appreciated.

The following written comments were received during the Public Comment Period beginning December 2nd, 2020 and ending January 5th, 2021:



**SWNCBC Public Comments on 2021 QAP
December 21, 2020**

SWNCBC would like to thank the Department of Economic Development for the opportunity to make public comment on the 2021 QAP.

SWNCBC would also like to express their support continuing with the AmpliFund electronic submission process for the 2021 NAHTF.

SWNCBC opposes NAHTF to be set aside for Low Income Housing Tax Credit Projects. I feel that developers are able to utilize HOME funds for LIHTC projects. LIHTC projects are difficult to accomplish in rural communities with smaller populations, leaving mostly larger communities and developers to benefit from the LIHTC program. I think that by allowing funds to be taken from the NAHTF for LIHTC projects makes it difficult for smaller communities across the state to be funded for good, creative housing projects that are needed in their communities.

(Amy Thelander)

Southwest Nebraska
Community Betterment Corporation

115 West 3rd St., PO Box 720, Grant, NE 69140
(308) 352-4338 * (308) 352-2683 - Fax
www.southwestne.com

SWNCBC Public Comments on 2021 QAP
January 5, 2021

Thank you for the opportunity to make public comment on the 2021 QAP.

As the Program Manager for SWNCBC I would like to say that I oppose NAHTF to be set aside for Low Income Housing Tax Credit Projects. I also, feel that developers are able to use HOME funds for LIHTC projects. Since LIHTC projects are hard to accomplish in rural communities with smaller populations, larger communities and developers benefit from the LIHTC program more. I think that by allowing funds to be taken from the NAHTF for LIHTC projects makes it difficult for smaller communities across the state to be funded for good, creative housing projects that are needed in their communities.

I would also like to see the requirement to expend all matching funds first be removed from the 2021 funding cycle. This places quite a burden on nonprofit organizations to expend their own funding before being able to use NAHTF funding. In our case we have used funding for match through other programs, which are set up as reimbursement.

Sincerely,
Deb Marshall
SWNCBC Program Manager



CITY OF BENKELMAN

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BENKELMAN, NE 69021

PHONE (308)423-2540 FAX (308)423-2539 E-MAIL: cityben@bwtelcom.net

Robert Rhoades
Mayor

Diane L. Rosenfelt
City Clerk/Treasurer

City of Benkelman and Benkelman CRA Public Comments on 2021 QAP January 4, 2021

The City of Benkelman and the Benkelman CRA would like to thank the Department of Economic Development for the opportunity to make public comment on the 2021 QAP.

The City of Benkelman would also like to express their support continuing with the AmpliFund electronic submission process for the 2021 NAHTF.

The City of Benkelman opposes NAHTF to be set aside for Low Income Housing Tax Credit Projects. I feel that developers are able to utilize HOME funds for LIHTC projects. LIHTC projects are difficult to accomplish in rural communities with smaller populations, leaving mostly larger communities and developers to benefit from the LIHTC program. I think that by allowing funds to be taken from the NAHTF for LIHTC projects makes it difficult for smaller communities across the state to be funded for good, creative housing projects that are needed in their communities.

Thank you,
Megan Spargo
City of Benkelman Special Projects Manager
Benkelman CRA Coordinator

"THIS INSTITUTION IS AN EQUAL OPPORTUNITY PROVIDER, AND EMPLOYER."



January 5, 2020

Re: MEDC Comment on 2021 QAP

McCook Economic Development Corporation appreciates the opportunity to provide comments on the 2021 QAP. We are grateful for the assistance we've received in the past from the state in terms of technical assistance and grants.

I would encourage the state to accept housing studies from rural communities that are up to 10 years old. A housing study is a major expense for many rural areas and in many of our rural communities, the need has only grown since a last housing study was complete. I would encourage the state to offer guidance on how rural communities can provide updated housing data to complement a comprehensive housing study that has taken place in the last 10 years.

It is important for the state to continue to look at how trust fund dollars are allocated. Although breaking the funding into Congressional Districts does provide equal population coverage, the need and quality of programs can vary greatly and doesn't always fit giving each Congressional District a 1/3 of the funding.

I would also encourage the state to increase the allocation for non-profit technical assistance. There are non-profits across the state that are doing great work to improve housing and many of them struggle to have the capacity to be able to benefit more communities through their programs. There are also some regions of the state that don't have the non profit capacity or availability to administer state trust fund programs and it is important all parts of the state benefit from this program.

Thank you for the work you to improve housing throughout the State of Nebraska. I look forward to continuing to work together to improve housing throughout the entire state of Nebraska.

Sincerely,



Andy Long
Executive Director

Hi Evan,

I tried to make a comment by phone and you apparently couldn't hear me. I just wanted to make the comment that I would really hate to see some of the funds be transferred to be used as gap for the tax credit projects. It seems a lot of the agencies accessing the tax credits are in the larger communities, which leave the smaller, rural agencies who do not have the ability or desire to apply for tax credit projects less likely to receive funding through the NAHTF. My understanding was that is why the Nebraska Tax Credits were developed, for them to use with other projects. I feel that the developers are already receiving a large amount of funds from both HOME funds and the National AHP to develop their projects. I really hate to see us lose more of the NAHTF funds to this, they are hard enough to receive as it is for a smaller agency.

Thank you,
Rita

Rita Horse
High Plains CDC
803 E 3rd Street, Suite 4
Chadron, NE 69337
308-432-4346

Hi Evan,

The more I have thought about the QAP, I would like to make a couple additional comments.

First of all, I believe Housing Studies should be included in the grant applications, although small communities such as ours, it is not feasible for us to do a Housing Study every 5 years as the building permits are very limited. If there would be some way that an addendum or update would be allowed to our initial Housing Study, this would be very helpful for smaller communities.

Secondly, I would like to see the elimination of the upfront match on the contracts. A lot of times we use funds that we receive throughout the year as match, so if we had to wait to receive the match before submitting a drawdown request, this would put a financial hardship on our agency by carrying the grant funds as an outstanding receivable. I understand the need to prove that match has been used in the project, but if there was a way to prorate it through the grant period, this would not be such a financial burden on the non-profits.

Thank you for your time.
Rita

Rita Horse
High Plains CDC
803 E 3rd Street, Suite 4
Chadron, NE 69337
308-432-4346

Thank you for the opportunity to provide public comments regarding the 2021 QAP. I feel it would be challenging for smaller, rural communities across the state to be able to develop housing projects if NAHTF funds would be transferred for Low Income Housing Tax Credit Projects. The NAHTF application process is extremely competitive as it is, and if these funds are transferred to LIHTC, this could hinder several rural, non-profit agencies.

Sincerely,
Autumn

--

Autumn Calkins
High Plains CDC
803 E. 3rd St. Ste 4
Chadron, NE 69337
308-432-4346

The Keith County Housing Development Corporation (KCHDC) would prefer to not limit the amount of Nebraska Affordable Housing Trust Funds (NAHTF) available for all types of projects across the state by setting aside money specially for tax credit projects, when many communities across Nebraska cannot access LIHTC funding for rental projects as they are not appropriate for small rental housing projects.

KCHDC appreciates the fact that NAHTF can serve projects between 80%-120% of AMI, and we believe it would be detrimental to tie NAHTF, which can be used to serve a higher income, to a resource that can only serve lower incomes across the state of Nebraska.

DED should be willing to look at housing studies that are older than five years old, if a data supported update to the original plan can be provided, barring no major community changes having occurred.

KCHDC would like to see the QAP come out earlier in the fall, as there is limited opportunity throughout the month of December to share information and hold meetings due to the holiday season and scheduled vacations.

KCHDC was a successful applicant in 2020 for NAHTF Technical Assistance funds. KCHDC appreciates the department's confidence in us to grow and develop Keith County. We would like to see DED record trainings and have more trainings available online. KCHDC believes this would be a good use of technology in order to make sure all grantees are receiving the same information and can have it readily available at their convenience.

The KCHDC also believes there need to be more educational opportunities in mid-Nebraska, to allow for equal travel time for all.

Thank you for your consideration.

--Charles P. Wortman

Charles P. Wortman
executive vice president mortgage banking

Adams Bank & Trust

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The KCHDC also believes there need to be more educational opportunities in mid-Nebraska, to allow for equal travel time for all.

Thank you for your consideration.

--Mary

Mary Wilson

Executive Director

Keith County Area Development

Office: (308) 284-6623

Cell: (308) 289-1077

mary.wilson@kcad.org

Evan Clark,

The Keith County Housing Development Corporation (KCHDC) would prefer to not limit the amount of Nebraska Affordable Housing Trust Funds (NAHTF) available for all types of projects across the state by setting aside money specially for tax credit projects, when many communities across Nebraska cannot access LIHTC funding for rental projects as they are not appropriate for small rental housing projects.

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The KCHDC also believes there need to be more educational opportunities in mid-Nebraska, to allow for equal travel time for all.

Thank you for your consideration.

Myrna Spurgin
Myrna K Spurgin
Vice President
Pinnacle Bank Ogallala
201 E 2nd PO Box 179
Ogallala, NE 69153
NMLS 674867
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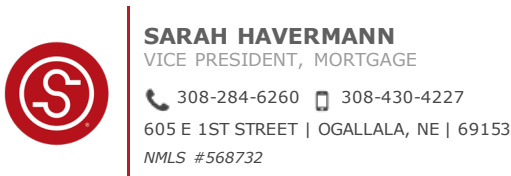
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The KCHDC also believes there need to be more educational opportunities in mid-Nebraska, to allow for equal travel time for all.

Thank you for your consideration.

Sarah



Evan: Please accept the following QAP public comment:

1. As a Grantee, we appreciate the opportunity to apply for trust funds, however we would disagree and request that you do not set-aside additional funding for use as gap funding for tax credit properties. Communities need this funding to create single family updated moderate living spaces (i.e. OOR) to house the rural work force.
2. It is understandable that Housing Market Studies are essential in assisting in the determination of housing needs in rural Nebraska towns. However, the five-year time limit not only can increase the cost to the project, agency, or community, when there may be a very limited amount of data that would change in the study. I speculate the data in urban

areas changes yearly; rural Nebraska communities generally do not. Please consider a reasonable time period, to allow the applicant to provide an addendum to a current study, rather than going through the expense of a full blown update.

3. Would the Department please consider changing the future release date of the QAP and public comment deadline? Due to the holidays, many of our smaller communities meet on a limited basis, only to conduct necessary business. Staff time is more limited during the holidays as well. We need participation and input from communities small or large to assure our housing needs are met all across the state.

Thank you for allowing my comments.

CJ Poltack- Executive Director

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



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On behalf of the Central Nebraska Economic Development District and Central Nebraska Housing and Economic Developers, Inc. I would like to provide public comment regarding the 2021 NAHTF Qualified Action Plan. I am in favor of maintaining the program guidelines for use of NAHTF funds that have been in place for a number of years and is presented in the 2021 Qualified Action Plan. I know that in the past the Department had put set-asides together for different types of housing needs – OOR, DPA, New and Rental Construction, etc. – and then the Department moved away from the set-asides and accepted all applications based on their merit, regardless of what the housing project was. I recognize that following the 2019 Flood Disaster a set-aside was developed by the Department for disaster housing grants, based on an emergency need; however, that was only for the 2019 cycle. In 2020, disaster housing grants were only provided with additional points, but no funds were set aside for disaster housing grants. I am now hearing that some housing leaders are requesting a change to the program guidelines as well as a set-aside of funds for LIHTC projects. First, I recognize that investing NAHTF fund into LIHTC projects is not currently allowed, and that the LIHTC projects are difficult to accomplish in rural communities with smaller populations, leaving mostly larger communities to benefit from the LIHTC program. Secondly, I think that by allowing a set-aside for one housing type would promote other housing type programs to request their special set-asides, and we would be right back to where we were originally, with each housing type having their own special pot of funds. The splitting of the funds into different set-asides would likely dilute the opportunity for good, creative housing projects to be funded across the entire State.

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,

Good afternoon! Habitat Omaha would like to submit the following comments to the 2021 Qualified Allocation Plan:

- Habitat Omaha suggests the removal of the requirement for a full environmental review on Owner-Occupied Repair projects. This requirement hinders the timely completion of critical home repairs to low-income families and is an overly burdensome requirement for simple, small repairs such as fixing a leaking roof or replacing a non-functioning HVAC unit. We suggest instead that grantees only be required to complete a Section 106 Historical Review through the Nebraska State Preservation Office before beginning a home repair project.
- Habitat Omaha would like to see the requirement to expend all match funding first be removed from the 2021 funding cycle. This stipulation was added to contracts for 2020 awardees and places an undue burden on nonprofit partners to expend their own funding in advance of any NAHTF funding; limiting their ability to pivot as needed to meet funding priorities. We understand the state's concerns that past partners have received additional application points for including the optional match in their application only to ultimately not meet their match obligations, but we suggest instead a scaled drawdown requirement for match funds (e.g. 50% of match funds must be drawn before 50% of grant funds are reimbursed; 100% of match funding must be expended before making final draw on grant funds).

Thank you for the opportunity to comment and for all the DED staff does to help further affordable housing in our state!

Best,

Janneane Gerot | Senior Project Manager

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

p (402) 884-6691 | f (402) 457.4012

jgerot@habitatomaha.org | habitatomaha.org

Western NE Housing Opportunities would like to state that requiring the upfront cash match being spent at 100% prior to receiving any DED funds is very difficult. If the dept. considered 25% or 50% or even a proportional draw upfront, it would make cash flow much better. It is very difficult for cash flow purposes, budgeting, payroll, etc. It may cause organizations to take out loans, thus adding interest and loan fees to the cost of the overall project. If organizations that pledge match do not contribute the match that they were supposed to, they should not be allowed to apply for grants 2 years or until the match portion can be shown as spent. This is a monitoring and enforcement issue that can be remedied by enforcing that the match be spent prior to any other grant awards being made to that organization. DED has to hold organizations accountable for the MATCH. This is causing harm to all the other organizations if MATCH is not being enforced.

We also do not feel that there should be a set aside for TRUST funds.....there is already a set aside for HOME funds. We prefer that all of the funds be competitive applications. Any additional set aside reduces the amount the 3rd district gets to apply for competitively and even less funds end up in the central and western part of the state. Set asides are not fair to all the small organizations that have to spend countless hours completely grants applications. Set asides should be used on a very limited basis.

(Rawnda Pierce)

Twin Cities Development Association (TCD) would like to state that requiring the upfront cash match being spent at 100% prior to receiving any DED funds is very difficult. If the dept. considered 25% or 50% or even a proportional draw upfront, it would make cash flow much better. It is very difficult for cash flow purposes, budgeting, payroll, etc. It may cause organizations to take out loans, thus adding interest and loan fees to the cost of the overall project. If organizations that pledge match do not contribute the match that they were supposed to, they should not be allowed to apply for grants 2 years or until the match portion can be shown as spent. This is a monitoring and enforcement issue that can be remedied by enforcing that the match be spent prior to any other grant awards being made to that organization. DED has to hold organizations accountable for the MATCH. This is causing harm to all the other organizations if MATCH is not being enforced.

We also do not feel that there should be low income housing tax credits set aside for TRUST funds.....there is already a set aside for HOME funds. We prefer that all of the funds be competitive applications. Any additional set aside reduces the amount the 3rd district gets to apply for competitively and even less funds end up in the central and western part of the state. LIHTC set asides are not fair to all the small organizations that have to spend countless hours completing grants applications. LIHTC set asides should be used on a very limited basis.

Michelle Coolidge, Community Development Director

Twin Cities Development Association
1620 Broadway
Scottsbluff NE 69361
308-632-2833 office
308-633-2898 direct
308-631-4803 cell

