

2025

Qualified Allocation Plan

Nebraska Affordable Housing Trust Fund
(NAHTF)

Effective July 1, 2025-June 30, 2026
(2025 Program Year)

NEBRASKA

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

Table of Contents

Introduction 3

Nebraska Commission on Housing and Homelessness (NCHH) 3

Public Comment Process 4

Allocation of Funds..... 4

Eligible Applicants..... 5

Eligible Activities and 2025 Program Priorities..... 6

Funding Maximums and Limitations 8

Cash Matching Funds 10

Other Funding Sources (Leverage)..... 11

Application Guidelines and Use of AmpliFund 12

Application Deadlines and Technical Assistance..... 12

Selection Criteria and Process 13

Milestones and Compliance Requirements..... 15

2025 NAHTF Anticipated Timeline..... 15

Amendments to QAP 16

QAP Contact Information 16

Attachment 1– Threshold & Score Tables 17

Attachment 2 – Congressional Districts Map 19

Attachment 3 – NDED Housing Program Representative Map..... 20

Attachment 4 – Public Comments..... 21



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 has developed the 2025 QAP with input gathered through five (5) Listening Sessions held for housing stakeholders in October 2024 and November 2024. Another source of input on the State's housing needs is the Nebraska Strategic Housing Council. The Council along with support from the Nebraska Department of Economic Development and a coalition of representatives from all levels of government, local agencies, nonprofits, businesses, and developers from across the state created a bold plan to create fundamental changes in statewide housing efforts: *Nebraska's Strategic Housing Framework* (www.NIFA.org/housing-framework).

Housing continues to be a priority need for federal programs overseen by DED. NAHTF goals and priorities are integrated into the Nebraska Department of Economic Development's Consolidated Plan to support the State's overall commitment to housing.

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 serves 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 Consolidated Plan and DED's Annual Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (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 is open to receiving input at each quarterly NCHH meeting. Recommendations for the 2025 program year were specifically discussed at the November 20, 2024, NCHH quarterly meeting.

Public Comment Process

The 2025 QAP was submitted for a 30-day public comment period beginning on December 2, 2024. The public comment period concluded on January 3, 2025 at 11:59 PM (CT). All written comments submitted to the Department on or before January 3, 2025, at ded.publiccomment@nebraska.gov are included as Attachment 4 within this document.

Allocation of Funds

DED’s spending authority for the 2025 NAHTF program year is anticipated to be \$12,750,000 for NAHTF activities, also known as government aid. State Administration costs are estimated to be \$1,250,000 and this amount is not reflected in the government aid appropriation. The Department’s actual spending authority for government aid and state administration costs is subject to legislative appropriation authority.

Per state law, new contracts entered into with recipients under the Nebraska Affordable Housing Trust Fund during the 2025 Program Year cannot exceed the spending authority approved during the 2025 Nebraska Legislative Session.

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 to each of Nebraska’s three (3) U.S. Congressional Districts (<https://www.census.gov/mycd/> or refer to Attachment 2).

The following table outlines the anticipated distribution of NAHTFs for the 2025 program year, dependent upon receipts and available authorized spending authority as set by the 2025 Nebraska Legislative Session:

Estimated NAHTF Government Aid Allocation		NAHTF Activities
\$11,475,000	Housing Funding Cycle(s) – 90% of Appropriation Subject to Congressional District Distribution	
	\$11,325,000	Housing Projects
	\$150,000	Nonprofit Technical Assistance
\$ 1,275,000	Discretionary Funds - 10% of Appropriation	
\$12,750,000	Projected NAHTF Total Aid Appropriation	



The Department anticipates awarding 90 percent of available spending authority through the Housing Funding Cycle(s). The remaining ten (10) percent, are discretionary funds, have no restriction with regard to congressional district distribution, stated priorities or other requirements and rankings. The remaining discretionary funds can be used at the discretion of the Department.

If NAHTF receives a proposed distribution higher or lower than estimated in the table above, funding will be distributed using the same funding proportions outlined above and subject to available spending authority and receipts.

The Department reserves the right to fund or not fund applications, to adjust requested award amounts within budget line items and to adjust allocations among the categories in the table above, all to allow for flexibility to ensure congressional district distribution requirements, reasonable cost allowance, organizational capacity, meeting urgent housing needs, geographic need or other considerations.

Any NAHTF balance remaining from the annual funding cycle or any additional funding cycle may be used, at the Department's discretion, to increase any of the eligible project activities, to create an additional funding cycle, or to be carried forward to the next cycle, whenever and whichever is determined necessary. If the Application Guidelines are updated during the application cycle, a notice will go out to the NAHTF mailing list to alert potential applicants of the latest version.

Eligible Applicants

Eligible applicants for NAHTF include:

- Local and Governmental subdivisions
- State and federally recognized local or regional Public Housing Authorities or Agencies
- Community Action Partnership Agencies
- Community-based, Neighborhood-based, or Reservation-based nonprofits with tax exempt status of 501(c)(3) or 501(c)(4) with a mission that includes affordable housing development and/or services.

All nonprofits must upload the Federal Tax-exempt Letter of Determination into the pre-application and full application verifying they are an active tax-exempt organization at time of application submission.

For-profit entities working in conjunction with an eligible applicant organization are eligible to receive benefit of the NAHTF funds as a partner in the project but will not be acting as a sub-recipient. The eligible applicant organization must be the applicant for the NAHTF funds and shall be the entity that enters into the NAHTF contract and will be the responsible entity for the project requirements, goals, and compliance throughout the affordability period.

Eligible Activities and 2025 Program Priorities

The Program serves beneficiaries that make at or below 120% of the Area Median Income (AMI) in the county they reside in. Beneficiaries in many Nebraska communities who are making at or near 120% AMI are considered a household in need of affordable housing.

Eligible Activities

The Nebraska Affordable Housing Act describes eligible activities for NAHTF assistance in Section 58-706 of the Nebraska Affordable Housing Act. The Department has four basic project types that eligible activities may be performed under: Homebuyer, Homeowner, Rental and Technical Assistance. The Application Guidelines provide direction for determining the project type an activity falls under. If further assistance is needed applicants are encouraged to contact their Housing Program Representative.

Eligible Activities listed in the Nebraska Affordable Housing Act Section 58-706:

- 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 2025 Program Year, Housing Project units specific to disaster recovery must be included in DR-4420 or other officially declared disaster area.*
- Infrastructure projects necessary for the development of affordable housing (support activity implemented in conjunction with the



development of affordable housing units only)

- Down payment 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 units 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; and,
- Weatherization and solar or other energy improvements to make utilities for housing more affordable.

Program Priorities for the 2025 NAHTF program are:

- New Affordable Housing Units for Homebuyers
- New Affordable Rental Housing Units
- Preservation of Existing Housing through Acquisition and Rehabilitation for Resale
- Financial Assistance for non-profits involved in the creation of affordable housing development. Funding for the following activities may be requested:
 - Organizational Capacity Building by providing salary support for a new hire
 - Must be filling a newly created position/role*
 - Office Equipment, Software and Office/Workplace Improvements
 - Strategic Planning
 - Funding for Housing Study
 - Training & Education related to housing development (for staff and board members)
 - Fees for architecture and engineering designs and consultation in preparation for a future affordable housing project
 - cannot be fees related to a currently funded NAHTF project or 2025 NAHTF application*



Highest Program Priority Consideration

The Department has identified the creation of new affordable single-family housing and new rental units as its highest priority for the 2025 Program Year cycle. Therefore, scoring will reflect this prioritization of housing creation (new construction/rental conversion).

Funding Maximums and Limitations

NAHTF funding will be utilized in the annual competitive housing application cycle (i.e., funding cycle) with the below application limitations:

Housing Development Projects

- Application must serve only one Congressional District.
- An applicant organization can submit a maximum of three (3) Housing Development applications in the 2025 NAHTF application cycle.
 - If submitting more than one application within the same Congressional District, the applications must be for different housing types, i.e., homebuyer, homeowner, or rental, or must be performing different activities within the same project type, i.e., rental conversion is a different activity than rental new construction.

Nonprofit Technical Assistance

- An applicant may only submit one (1) application per cycle.

Housing Development NAHTF Request Maximum

The 2025 NAHTF maximum request per application will be \$750,000. This does not include General Administration, Housing Management or Lead-Based Paint allowances.

The Primary Activity of Rehabilitation has a \$40,000 cap per unit on the amount that NAHTF will fund for the following project types: Rental Rehabilitation, Homeowner Owner-Occupied Rehabilitation and projects providing only Homebuyer Assistance with minor Rehabilitation. Other funding sources may be used to fund rehabilitation costs that exceed the NAHTF Rehabilitation Activity cap for these project types.

General Administration Activity Allowance

A General Administration Allowance is offered to offset costs that are generally associated with administration related to award management. Applicants will need to refer to the 2025 Application Guidelines for a list of typical General Administration costs. Applicants may request General Administration in \$5,000 increments up to \$20,000 total, i.e., \$0, \$5,000, \$10,000, \$15,000 or \$20,000 regardless of the number of units or amount of NAHTF requested in non-administrative activities. Applicants should evaluate the need for General Administration by past experience with NAHTF award administration, as well as project type



and number of units being proposed in the application in order to make a reasonable request. DED may reduce the request at its discretion when making award funding decision.

Housing Management Activity Allowance

Housing Management Allowance is offered to offset soft costs that generally tie back to specific addresses assisted by the project funds. Applicants can refer to the 2025 Application Guidelines for a list of typical Housing Management costs. Applicants are eligible to request up to \$5,000 in Housing Management per completed units defined in the contract, not to exceed \$75,000 on projects with a primary activity of New Construction (Homebuyer and Rental), Rental Conversion, Rental Rehabilitation and Homebuyer Purchase/Rehabilitation/Resale. An application with the **only** primary activity being Homebuyer Assistance will be eligible to request up to \$2,500 per unit in Housing Management, not to exceed \$75,000 per award. If a project will be providing homebuyer assistance with minor rehabilitation, the rehabilitation must be documented in order to receive \$5,000 per unit. Otherwise, unit completion will be reimbursed at \$2,500 per unit.

Lead-Based Paint Testing Activity Allowance

Applicants may request up to \$1,500 per unit to be used on Lead-Based Paint testing and assessments only for use on Homeowner Owner-Occupied Rehabilitation, Rental Rehabilitation (not Rental Conversion) and Purchase/Rehab/Resale projects. Unused funds in this category shall be recaptured by DED and are not eligible for budget category amendments.

Projects Partnering with a For-Profit Developer/Owner

Homebuyer New Construction Projects

Homebuyer projects partnering with a for-profit developer/owner who will own and sell the units to an eligible homebuyer must structure the NAHTF assistance as a non-forgivable loan with payment terms. The amount of developer fee, any development subsidy, direct homebuyer assistance and/or affordability subsidy that reduced the unit's proceeds can be deducted from the Developer/Owner's loan balance. Structuring a loan so the NAHTF Recipient receives repayment will leverage the NAHTF award to be used in future housing projects by the Recipient.

Rental New Construction and Rental Rehabilitation and Conversion Projects

Rental projects partnering with a for-profit developer/owner must provide the NAHTF assistance as a loan with terms. The loan may not be 100% forgivable but it may be structured as a partially forgivable loan as needed to make the project viable and able to support affordable units. The terms may be flexible in both interest and repayment period so as to provide an incentive to the for-profit developer/owner without being 100% forgivable. Structuring a loan to a for-profit developer/owner will allow the NAHTF Recipient to leverage loan payments for use in future housing projects.

Recommended Developer Fee Maximum

A Developer Fee is an eligible development cost in projects with the activities of New Construction and Purchase/Rehab/Resale. The Department's recommended maximum Developer Fee for a Homebuyer New Construction project is 10% of the project's Total Development Cost and for a Purchase/Rehab/Resale project the recommended maximum is 5% of the project's Total Development Cost. The Developer Fee is funded by the sales revenue in Homebuyer projects.

Applicants receiving a Developer Fee will still be eligible to request Housing Management and General Administration allowances that further assist with funding staff costs incurred by the administration of a NAHTF project.

DED expects the amount of proceeds left over after the sale of all units or the amount of cash flow generated from a Rental project to be reasonable for a nonprofit entity engaging in a state-funded project.

NAHTF Recipients are expected to work with their legal counsel to create contractor and developer agreements when working with for-profit contractors and developer/owners on a NAHTF project.

Contractor Profit and Overhead

A Recipient that is acting in the role of Developer/Owner can hire contractors (builders and/or subcontractors) to construct or rehabilitate units. Contractor Profit and Overhead are eligible costs under the New Construction and Rehabilitation activities.

Technical Assistance Project Cost Maximum

The 2025 NAHTF maximum for a Nonprofit Technical Assistance award is \$50,000 over a two-year period. General Administration, Housing Management and Lead-Based Paint Testing are not eligible expenses for Nonprofit Technical Assistance applications. Refer to the 2025 Application Guidelines for any funding caps on specific eligible activities.

Cash Matching Funds

Cash Matching funds are unrestricted cash resources pledged by the applicant for use in the project to be made available if project is awarded. Cash match may not be a loan or paid back to another entity or to the applicant during the contract period. There is no cash match requirement for applicants of NAHTF Housing Development Projects or Nonprofit Technical Assistance applications. However, points will be awarded for cash match committed to NAHTF Housing Development Projects when demonstrated that cash match is committed from the applicant's own funds. Points will not be given for any other source of cash match. There will be no points given for match of Technical Assistance projects.



Applicants providing cash match must use the template provided for download on the NAHTF web page to document the 2025 match commitment. The signed document must be submitted on the applicant's letterhead. The applicant should be recognizing that only project related costs incurred by the NAHTF recipient are eligible to be paid with match funds. All cash match must be expended by the NAHTF recipient during the contract period and must be expended, at a minimum, in proportion to the amount of NAHTF project costs drawn per line item in the contract budget with the Department. Cash Match can only be committed for use in activities that the applicant is requesting NAHTF to fund. Cash match points will not be awarded for General Administration, Housing Management, Lead-based Paint Testing and/or project related soft costs. Any cash match in these categories at time of application will not be included in the NAHTF contract if awarded.

Other Funding Sources (Leverage)

NAHTF resources are not intended to fund an entire project's costs. Leveraged funds are other resources used for project financing that are not part of the cash match being declared for the project. Examples of Other Funding Sources leveraged for project financing during the open contract period may include owner equity, private investment, or other public funds. Funding Sources that stay with the project as opposed to being paid back are extremely powerful in leveraging the NAHTF dollars.

Not all leverage sources will be given leverage points. For example, a line of credit or construction loan are financing sources that will be paid back through NAHTF reimbursement, cash flow (Rental) or proceeds from the sale of a unit (Homebuyer). These sources will have less impact on the financial evaluation than sources such as owner equity, a grant from an industry partner or community foundation which are sources that are typically not expected to be paid back.

For-profit entities acting as the developer/owner of the project are receiving benefit of NAHTF assistance and will be required to participate in financing the project with an amount equal to at least ten (10) percent of the amount of NAHTF non-administrative assistance requested and it must be identified as owner equity. This provision is a requirement of the Nebraska Affordable Housing Act (LB86 2019). This 10% will be considered the match from the for-profit developer/owner and the amount will have a positive impact on the financial evaluation when it is included on the Leverage Table as Owner Equity.

Leveraging Proceeds, Loan Payments & Cash Match

Projects that receive sale proceeds or loan repayments during the open contract period must use the proceeds to replenish the applicant's project fund for use in completing subsequent units prior to the contract end date. The use of proceeds will be demonstrated in the project's cash flow on the Homebuyer Development Worksheet. The amount of proceeds available as a source of funding to the project should inform an applicant's decision on the amount of

NAHTFs needed to complete the number of project units being proposed. Proceeds and loan payments remaining after the contract end date will be unrestricted. Those remaining funds have the potential to be used as seed funding for additional housing projects or as a Developer Fee.

Cash match recouped from the sale of units is also expected to be used on subsequent units within the contract period as it cannot be a source that is paid back to another entity or to the applicant.

Pre-Development Costs

Pre-development costs are not considered “leverage” when evaluating the application because they have taken place outside the proposed open contract period. Information regarding all pre-development expenditures that took place prior to application submission is still valuable information to reviewers to understand the entire scope of a project. Applicants are encouraged to include pre-development cost information in the Project Description Summary of their application.

Application Guidelines and Use of AmpliFund

Application Guidelines for the 2025 NAHTF application cycle will be posted on the NAHTF web page upon opening of the funding cycle. The Application Guidelines include detailed program information, application timeline, basic instructions, and will serve to answer common application-related questions. Application Guidelines change from cycle to cycle and should be reviewed carefully even when Applicant is a returning Applicant to the NAHTF program. Applicants are advised to review the *Post Award Management and Implementation* section of the Application Guidelines to help them determine whether their organization has the capacity to administer a NAHTF award.

Both the 2025 NAHTF pre-application and the full application will be submitted electronically via AmpliFund, an electronic management software system. Applications must be submitted to the Department electronically on or before the specified due date which is provided in this QAP and in the Funding Timeline found in the Application Guidelines. **No hard copy pre-applications or full applications will be accepted.**

Instructions for the use of the electronic database, AmpliFund, is available at the [DED Grants Help Center](#).

Application Deadlines and Technical Assistance

The 2025 NAHTF application cycle will open on February 20, 2025. Preliminary applications (pre-applications) are required prior to acceptance of a full application. This requirement provides the Department the ability to offer technical assistance to applicants and to adequately plan for application processing and scoring.



The Pre-Application due date is Thursday, March 20, 2025 by 5:00pm (Central Time)
The Full Application due date is Thursday, May 22, 2025 by 5:00pm (Central Time)

A Pre-recorded Workshop will be made available on the NAHTF web page following the posting of the QAP and Application Guidelines. Applicants should refer to the Application Guidelines for publish dates and are encouraged to watch any recording made available prior to attending Open Office Hours or in-person workshops that might be offered.

Open Office Hours will be provided for applicants who have completed a pre-application. These virtual open office hours will review Frequently Asked Questions and allow for applicants to ask application-related questions. Project specific questions should be directed to their Housing Program Representative. Any pre-recorded or in-person workshops offered are recommended to all applicants, whether they are new or returning to the NAHTF Funding Cycle. Applicants taking advantage of training made available through in-person or recorded workshops, training videos and open office hours tend to score higher than those who do not.

Other topic-related recorded videos may come available during the application cycle. Applicants are advised to watch for announcements of such resources on the NAHTF website or via the [DED mailing list](#). Applicants are advised to reach out to their Housing Program Representative to request technical assistance in order to receive project specific guidance that may not be covered in recorded workshops, videos, open office hours, etc.(see Attachment 3).

Selection Criteria and Process

The Department will process all applications and conduct a Threshold Review to determine projects that may be scored. Applicants with applications that do not pass the initial Threshold Review will be notified within ninety (90) days of application due date that their application will not be scored and will be given the reason for the decision. At the Department's discretion, clarifying information may be requested of applicants at any point in the process following application submission. When providing clarifying information applications may not be changed and/or altered. Upon completion of a Threshold Review, applications move through an objective and subjective scoring process for determining a ranking within the project's congressional district.

State resources are limited and there is an increasing demand for NAHTF award distribution. DED strives to distribute NAHTF resources to assist eligible Applicants in leveraging private financing on quality projects and programs for the creation of affordable housing that addresses local needs.

Priority Selection Criteria considered when evaluating Housing Development applications includes, but is not limited to:

- Threshold Requirements (includes Milestones achieved for open NAHTF awards);
- NAHTF 2025 Program Priorities
- Project Design
- Project Readiness
- Presence of Cash Match
- Presence of Other Funding Sources as Leverage
- Level of Local Government Support
- Project's Financial Documentation
- Capacity and Experience in Housing Development
- Application's Ranking Within a Congressional District
- Available Funding

Technical Assistance applications will be reviewed and scored using applicable criteria in the above list, evaluation of the Performance Plan goals submitted for funding and review of the Applicant Organization's financials.

Housing Development applications will be reviewed and scored both objectively and subjectively using the criteria listed above. If applicable to their project, financial documentation provided on a Development Worksheet will also be evaluated. If the project is awarded, the Department may determine an award investment amount to be less than requested based on evaluation of the Development Worksheet and other review factors.

Additionally, the competitive scoring process considers the NAHTF program's Legislation First Priorities:

- Serves the lowest income occupants (households serving households at or below 80% AMI).
- Serves qualified occupants for the longest period of time (affordability period).
- 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, wholly or in part, within a designated Opportunity Zone, pursuant to the Federal Tax Cuts and Jobs Act. Public Law 115-97.
- Projects located within an area that has been declared an Extremely Blighted Area under Nebraska Revised Statutes §18-2101.02.

Projects that do not require submission of a Development Worksheet, or have an opportunity to submit unit designs, cost estimates, site reviews, etc., by nature of the project type will not have the same opportunity for points as project types requiring these items. This correlates



with the fact that the Department has placed a high priority on new unit creation for the 2025 NAHTF program cycle. This may or may not be a factor in final award determination since final award funding is influenced by the number of applications, amount of funding available, mix of project types, and objective and subjective factors and priority selection criteria listed above.

All Applicants will be sent letters of selection or non-selection, or other communication by email prior to the official Press Release being sent out.

Milestones and Compliance Requirements

Applicants with open NAHTF awards must meet the milestones outlined in the table below by the due date of the pre-application (March 20, 2025). If these milestones are not met by March 20, 2025, the applicant must provide a detailed plan within their pre-application outlining how previous NAHTF awards will be in compliance with the milestones by the date of full application (May 22, 2025). The Department will consult with applicants on a case-by-case basis if necessary. Applicants not meeting the milestones outlined in the table below by May 22, 2025, will not be eligible for funding in the 2025 NAHTF application cycle.

Milestones Table

<u>NAHTF Program Year</u>	<u>Milestone</u>
2021 and earlier	100% of NAHTF funds drawn
2022	75% of NAHTF funds drawn
2023	30% of NAHTF funds drawn
2024	Must have received Notice of Release of Funds by May 22, 2025

Any applicant that is also a prior recipient with unresolved monitoring Findings (meaning Finding is more than 30 days old) at time of Pre-Application deadline, must address the Finding(s) and timing of the resolution by sending an email to their Housing Program Representative within 30 days following the pre-application deadline. If an applicant has monitoring Findings that are not resolved by Full Application deadline or if additional monitoring Findings are found after full application deadline, the applicant may be at risk of being ineligible for a 2025 award. Questions regarding outstanding monitoring Findings should be directed to Ben Mellema at benjamin.mellama@nebraska.gov.

2025 NAHTF Anticipated Timeline

2025 NAHTF ANTICIPATED TIMELINE	
<u>Anticipated Dates</u>	<u>Action</u>
Tuesday, November 20, 2024	NCHH Quarterly Meeting-Review of Proposed 2025 NAHTF QAP



Thursday, December 2, 2024	Proposed QAP Posted & Public Comment Period Begins
Thursday, January 3, 2025	QAP Public Comment Period Ends
Thursday, February 20, 2025	Final QAP Posted
Thursday, February 20, 2025	2025 NAHTF Application Guidelines Posted and 2025 NAHTF Funding Cycle Opens
Thursday, March 6, 2025	Virtual Open Office Hour <i>from 10:00am to 11:00am (CT)</i>
Thursday, March 13, 2025	2025 NAHTF Full Application Pre-Recorded Workshop Available
Thursday, March 20, 2025	2025 NAHTF Pre-Applications Due by 5:00pm (CT)
Thursday, March 27, 2025	Site Review Forms are due in order to receive approvals prior to application submission. <i>Site reviews are <u>required</u> for all Rental projects at time of application.</i>
Thursday, April 3, 2025	Virtual Open Office Hour; <i>from 10:00am to 11:00am (CT)</i>
Thursday, May 1, 2025	Virtual Open Office Hour; <i>from 10:00am to 11:00am (CT)</i>
Thursday, May 22, 2025	2025 NAHTF Applications Due by 5:00pm (CT)
Wednesday, December 31, 2025	Award Announcements will be made prior to this date.

Amendments to QAP

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 comment period. At the end of 14 days the Director will issue final approval of Amendment. The QAP including any amendments, will subsequently be made available on the agency website.

QAP Contact Information

Lynn Kohout, Director of Housing
Nebraska Dept. of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, NE 68521
(402) 440-2599 or (800) 426-6505

Barb Pierce, Housing Specialist – NAHTF
Nebraska Dept. of Economic Development
245 Fallbrook Blvd, Suite 002
Lincoln, NE 68521
(402) 936-4587 or (800) 426-6505



Attachment 1– Threshold & Score Tables

Applicable Project Type	THRESHOLD REVIEW for Housing Development & Technical Assistance Applications	Determination
All Project Types	Applicant submitted a pre-application by the required due date.	Eligible or Ineligible for scoring
All Project Types	Applicant applied using the applicant’s own AmpliFund account. A Third-Party Preparer account will not be accepted. Application will be rejected.	Eligible or ineligible for scoring.
All Project Types	<p>Applicant is eligible to apply.</p> <p>If applicant is 501c3 or 501c4, must upload the IRS Tax-exempt Determination Letter.</p> <p>If letter is not available, applicant may upload CPA or Attorney letter certifying non-profit status.</p> <p>At the Department’s discretion, the most recent Form 990 may be requested for making decision of eligibility.</p> <p>Non-profit applicants must have no red flags* on non-profit status.</p> <p><i>*The Department will use GuideStar.org as a resource for checking nonprofit status and presence of any red flags.</i></p>	Eligible or ineligible for scoring.
All Project Types	<p>Applicant selected correct Congressional District for Project Service Area.</p> <p>If not, flag for review and decision. If allowed, a resubmission correction is required within 24 hours of notification.</p>	Eligible or ineligible for scoring.
Housing Development	Project Service Area selected by applicant (area the units will be located in) includes no more than one Congressional District (does not apply to Technical Assistance Application). If not, flag for review and decision. If allowed, a resubmission correction is required within 24 hours of notification.	Eligible or ineligible for scoring.
All Project Types	Applicant is within the application submission limitations, i.e. only one submission for Technical Assistance and no more than 3 applications submitted for Housing Development. If submitting more than one application within the same Congressional District, the applications must be for different housing types, i.e., homebuyer, homeowner, or rental, or must be performing different activities within the same project type, i.e., rental conversion is a different activity than rental new construction.	Eligible or ineligible for scoring.
Housing Development	Housing Development Application Portal – The Housing Development Application contains an application for one specific project by completing only one of the following forms:	Eligible or ineligible for scoring.



	Form 02, 03 or 04. Completing more than one of these forms per submission will be cause for rejecting the application.	
All Project Types	Required milestones identified in QAP for current NAHTF Housing awards must be met by submission due date.	Eligible or Ineligible for scoring.
All Project Types	All NAHTF activity budget requests must be within allowed limits per the 2025 Application Guidelines. If limits exceeded, flag for review and decision.	Eligible or ineligible for scoring.
All Project Types	Applications with Federal or other State-Funded awards being used to finance the project must be reviewed for eligibility. Such funding must be disclosed in the Project Summary Description.	Eligible or ineligible for scoring.

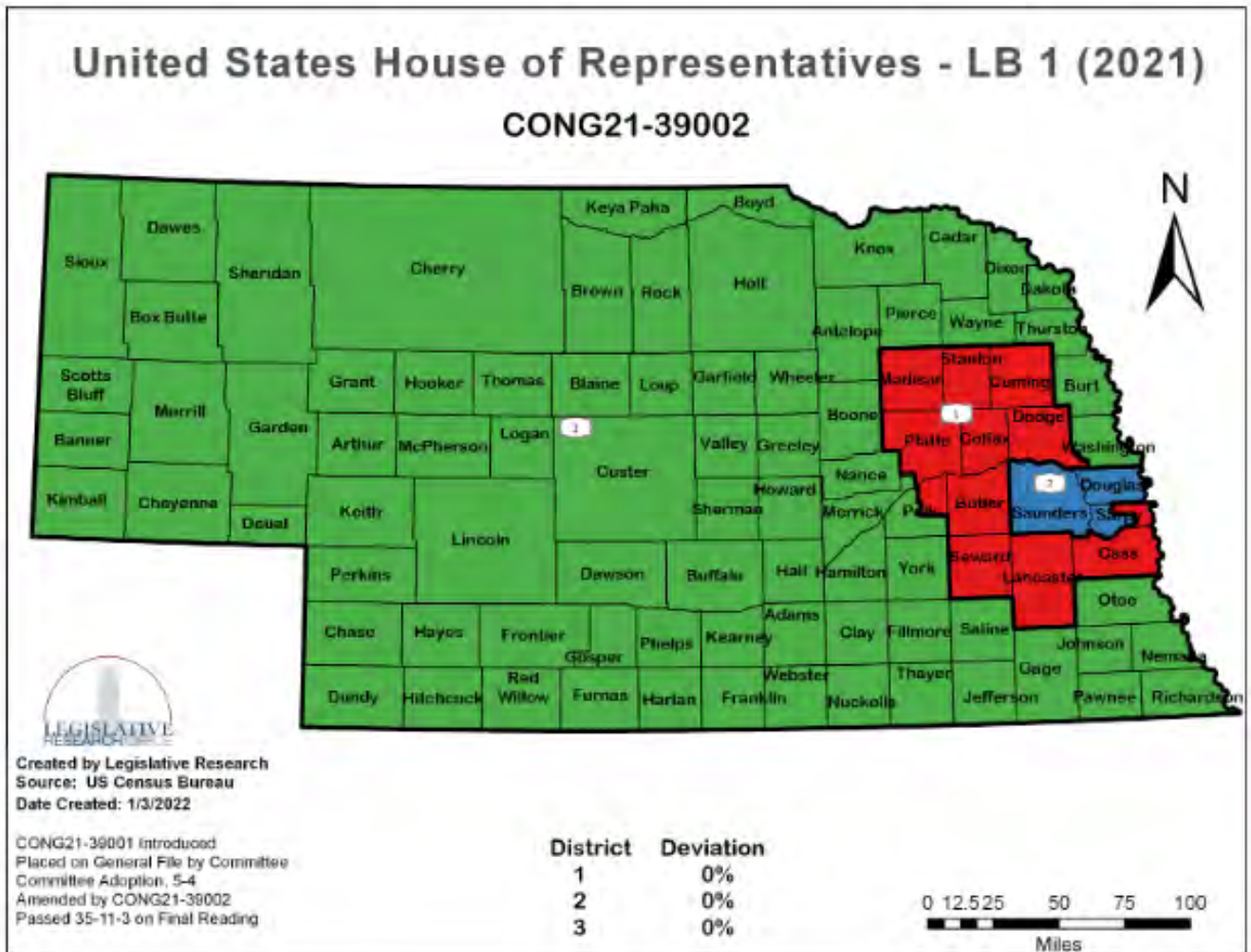
Points Possible for Housing Development Applications Includes Subjective, Objective and Development Worksheet Evaluation				
Project Types	Total Points Possible	Objective Points Possible	Subjective Points Possible	Development Worksheet Points Possible
Homebuyer New Construction	100	30	50	20
Rental New Construction	100	30	50	20
Rental Conversion	100	30	50	20
Homebuyer Purchase/Rehab/Resale	95	25	50	20
Rental Rehabilitation	95	25	50	20
Homeowner-Occupied Rehabilitation	95	45	50	N/A
Homebuyer Assistance w/Rehab	95	45	50	N/A
Homebuyer Assistance Only	90	40	50	N/A

Criteria	Points Possible
Project Design Variable.	0-40
Impact, Sustainability and Collaboration Variable.	0-15
Financial Management Variable.	0-5
Total Possible Points	60



Attachment 2 – Congressional Districts Map

https://nebraskalegislature.gov/about/congress_map.php



Attachment 3 – NDED Housing Program Representative Map

Nebraska Department of Economic Development: Housing Division



Director of Housing
Lynn Kohout
402-440-2599 (Cell)
lynn.kohout@nebraska.gov

Housing Attorney
Misty Christo
402-669-0968 (Cell)
misty.christo@nebraska.gov

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

Housing Specialist (NAHTF & CDBG-00R)
Barb Pierce
402-936-4587 (Cell)
barb.pierce@nebraska.gov

Housing Specialist (PRH & RWLD)
Brittany Piper
402-310-4782 (Cell)
brittany.piper@nebraska.gov

Workforce Housing Specialist
Nick Dropinski
402-580-0713 (Cell)
nick.dropinski@nebraska.gov

Housing Specialist
Brad Wiese
531-207-8439 (Cell)
bradley.wiese@nebraska.gov

Housing Specialist
Meg Pfannenstiel
402-432-6379 (Cell)
megan.pfannenstiel@nebraska.gov

HOME ARP Program Manager
Kim Jasa-Harris
402-471-3742
402-580-6392 (Cell)
kimberly.jasa-harris@nebraska.gov

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

Compliance Coordinator (HOME & HTF)
Matt Anderson
402-471-3756
531-893-1647 (Cell)
matt.anderson@nebraska.gov

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

Southeast
Amy Kienzler
402-580-7131 (Cell)
amy.kienzler@nebraska.gov

Northeast
Christine Rasmussen
402-575-0798 (Cell)
christine.rasmussen@nebraska.gov

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

Central
Morgan Pearson
308-224-8846 (Cell)
morgan.pearson@nebraska.gov

Metro Area
Teri Doss
531-810-1450 (Cell)
teri.doss@nebraska.gov

Programs Administered by the Housing Division

- Community Development Block Grant (CDBG) – Housing
- HOME-American Rescue Plan (HOME-ARP)
- HOME Investment Partnerships Program (HOME)
- Middle Income Workforce Housing Investment Fund (MWHF)
- National Housing Trust Fund (HTF)
- Nebraska Affordable Housing Trust Fund (NAHTF)
- Pandemic Relief Housing Program (PRH)
- Rural Workforce Housing Fund (RWHF)
- Rural Workforce Housing Land Development Program (RWLD)



Attachment 4 – Public Comments





Building opportunity throughout Burt, Cass,
Douglas, Sarpy and Washington Counties.

Barb Pierce
Nebraska Department of Economic Development
245 Fallbrook Boulevard, Suite 002
Lincoln, Nebraska 68521

December 18, 2024

Dear Barb,

As an affordable housing developer serving five Nebraska counties, Habitat for Humanity of Omaha appreciates the opportunity to comment on the proposed changes to the Nebraska Affordable Housing Trust Fund (NAHTF) Qualified Allocation Plan. We would like to address the following proposed changes to the NAHTF program:

“A DED Recipient that is acting in the role of Developer/Owner shall hire contractors to construct or rehabilitate units.”

Habitat Omaha has been building and renovating homes in eastern Nebraska for 40 years, leveraging staff and community volunteers to help stretch the limited resources available for affordable housing development and provide the most impact.

We believe that fostering diverse approaches to affordable housing development is in the best interest of Nebraska’s communities. Habitat Omaha serves as the general contractor on our projects, and we are intentional in our hiring of subcontractors and vendors from the communities in which we build in order to spur job creation and economic opportunity.

We recommend that the Nebraska Department of Economic Development (NDED) maintain its current policy, allowing for the reimbursement of materials and labor expenses completed by contractors and vendors, while removing the requirement for NAHTF-funded units to be constructed or rehabilitated solely by a paid contractor. This ensures fair and inclusive allocation of NAHTF funds and avoids scoring criteria that penalize organizations that employ innovative and cost-effective development models.

“The 2025 NAHTF maximum request per application will be \$650,000.”

Reducing the maximum funding amount per application represents a step backward in addressing Nebraska’s pressing affordable housing needs. Affordable housing developers face rising costs due to inflation, increased labor expenses, and higher material prices. A lower funding cap places an unnecessary financial strain on developers, making it more difficult to develop quality housing units that can be sold at an affordable price to buyers with low incomes.





Building opportunity throughout Burt, Cass,
Douglas, Sarpy and Washington Counties.

Habitat Omaha requests that the NDED retain the higher cap of \$750,000 to ensure that housing developers can meet the increasing costs of construction and rehabilitation, allowing for the completion of more projects that benefit Nebraska families.

“Applicant Organization can submit a maximum of two (2) Housing Development applications in the 2025 NAHTF application cycle.”

As a long-time partner of the NDED, Habitat Omaha deeply values the NAHTF program as a critical tool for addressing our state’s affordable housing needs. Over the last 24 years, NAHTF funding has allowed us to deliver high-quality, affordable homes that transform lives, strengthen communities, and revitalize neighborhoods.

We are concerned, however, about the proposed requirement limiting applicant organizations to a maximum of two Housing Development applications per cycle. Habitat Omaha serves all three Nebraska congressional districts. Limiting applicants to just two submissions restricts our ability to serve families across such a broad area, forcing us to prioritize high-need urban areas and limiting our capacity to provide affordable housing solutions to Nebraska’s rural communities.

Nebraska’s affordable workforce housing needs continue to increase, and we must maintain the flexibility of funding mechanisms dedicated to meeting that need. This proposed application cap risks hamstringing the NAHTF program’s ability to deploy funds quickly and efficiently by limiting funding access for high-performing organizations. This limitation creates unnecessary barriers for experienced and capable organizations with a proven track record of delivering high-impact affordable housing projects across the state.

We request the removal of this proposed limitation or, alternately, request that the allocation plan be changed to allow up to two applications per congressional district.

Thank you for considering our feedback and for your partnership in advancing affordable housing solutions across Nebraska.

Sincerely,

A handwritten signature in black ink that reads "Amanda Brewer".

Amanda Brewer, CEO
Habitat for Humanity of Omaha



1229 Millwork Ave, Suite 301, Omaha, NE 68102



402.457.5657 office 402.457.4012 fax



habitatomaha.org



HOPPE

DEVELOPMENT

January 3, 2025

To: ded.publiccomment@nebraska.gov

Nebraska Department of Economic Development (DED)

Nebraska Affordable Housing Trust Fund (NAHTF) Administrator

Please see below for Hoppe Development public comments concerning the Proposed 2025 Nebraska Affordable Housing Trust Fund Qualified Action Plan (QAP).

Hoppe Development commends DED for conducting four “in-person” and one virtual Listening Sessions this fall, allowing housing stakeholders to share perspective and insight on how the agency’s housing programs can better address the growing need for affordable housing in Nebraska. We encourage DED to continue this practice as a way to prepare for the annual QAP.

Eligible Applicants:

“For-profit entities working in conjunction with an eligible applicant organization are eligible to receive benefit of the NAHTF funds as a partner in the project but will not be acting as a sub-recipient. The eligible applicant organization must be the applicant for the NAHTF funds and shall be the entity that enters into the DED contract and responsible for the project requirements, goals, and compliance through the affordability period.”

We believe public-private partnerships should be more celebrated and recognized as a benefit for communities. This language creates challenges in public-private collaborations between a nonprofit and a for-profit entity. We encourage the Department to consider allowing the for-profit partner expenses, when expended as a partner in the project, to be considered eligible expenses for reimbursement, whether reimbursed to the nonprofit or to the for-profit partner directly. Many eligible applicants are not familiar with complexities of real estate development and NAHTF project requirements. Allowing for-profit entities to be named as partners in NAHTF contract would allow easier and more efficient implementation of project and capacity building of said eligible applicants. By allowing a for-profit entity to use their construction financing and equity or match funding would eliminate unnecessary burdens of additional fees, costs, and time of project implementation. The end result of affordable housing for beneficiaries under 120% should not require additional red-tape for public-private partnerships.

Funding Maximums and Limitations

“Application must serve only one Congressional District”

We would encourage DED to remove this restriction providing more flexibility to organizations serving multiple Congressional Districts. This removal would also provide the opportunity for more statewide programs served by public-private partnerships.

“The 2025 NAHTF maximum request per application will be \$650,000.”

We would encourage DED to increase the maximum request to \$750,000, consistent with the previous two annual cycles. With the higher costs associated with construction showing no downward trend, it would be a better decision to maintain the \$750,000 maximum and not limit a lower limit. The time and effort expended to manage NAHTF participation in a project means that we can more successfully integrate and scale the state’s contribution if we have higher project minimums.

“Rental projects partnering with a for-profit developer/owner must provide the NAHTF assistance as a loan with terms. The loan may not be 100% forgivable but it may be structured as a partially forgivable loan as needed to make the project viable and able to support affordable units. If receiving a partially forgivable loan, the for-profit developer/owner must participate in the financing of the project by contributing a minimum of ten (10) percent of the NAHTF award request as owner equity.”

We would encourage DED to remove this restriction and allow 100% forgivable loans to provide greater flexibility to make projects viable and able to support affordable units. Rather than impose this restriction, an incentive could be provided to encourage this requirement. All projects vary and this revision can be the basis for a project being viable vs not.

“Homebuyer projects may assess a Developer Fee of up to 3% of the unit’s Sale Price and may deduct that amount from the proceeds gained from the sale of the unit.”

A 3% Developer Fee of the unit’s Sale Price is a minimal percentage and far from industry standard. In addition to the costs to develop and sell a homebuyer unit, the administration and capacity required to oversee this process is complex. We would encourage DED to increase this fee to a minimum of 10%.

“A DED Recipient that is acting in the role of Developer/Owner shall hire contractors to construct or rehabilitate units. Contractor Profit and Overhead are eligible costs under the New Construction and Rehabilitation Activities.”

We encourage DED to ensure that this language does not disqualify a non-profit organization from performing as its own general contractor.

“Applicants providing cash match must sign the 2025 match commitment form submitted with application on Applicant’s letterhead recognizing that only project related costs incurred by the DED recipient are eligible to be paid with match funds. All cash match must be expended by the DED Recipient during the contract period and must be expended, at a minimum, in proportion to the amount of NAHTF project costs drawn per line item in the contract budget with the Department. Cash Match can only be committed for use in activities that Applicant is requesting NAHTF to fund. Cash match points will not be awarded for general administration, housing management, lead-based paint testing and/or project related soft costs and any cash match in these categories at time of application will not be included in a DED contract if awarded.”

The importance of non-profit and for-profit partnerships are a vital part of housing and economic development to our State. In these partnerships and projects tied to loan agreements, we recommend that expenditures incurred and expended by a for-profit organization utilizing cash funds be eligible for consideration of cash match.

“Not all leverage sources will be given leverage points.”

Additional clarity regarding what is considered “leverage sources” for points would be encouraged.

“For-profit organizations acting as Developer/Owner of the project receiving benefit of NAHTF assistance will be required to provide an amount as leverage at least equal to ten (10) percent of the amount of NAHTF assistance provided to the project and it must be identified as owner equity. This provision is a requirement of the Nebraska Affordable housing Act (LB86 2019).

We would request verification that this 10 percent is not in addition to the previously referenced 10 percent owner equity for projects receiving forgivable loans. In addition, per Statute, for-profits are required to provide 10 percent of cash match. We would encourage DED to allow this requirement and funds as eligible for cash match points.

Application Guidelines

We would strongly encourage the Department to publish a draft copy of the Application Guidelines at the same time as the draft QAP to allow full understanding of application cycle requirements or changes. Many items in this draft QAP seem vague or not fully described. By being able to reference the Application Guidelines, full and thorough comments could be provided to DED.

Attachment 1 – Points Possibly for Housing Development Application (Scoring Table)

We commend DED for continuing with a more balanced objective/subjective point system for Housing Development Applications, but the draft QAP does not provide clarity regarding specific points possible. Without an understanding of the specific “Objective, Subjective, and Development Worksheet,” points possible, sufficient public comment cannot be provided at this time. We would encourage the Department to publish specific points possible table, as well as the draft Application Guidelines and provide an additional 10-day comment period to address any unknown issues, concerns, suggestions for improvement, and/or positive comments.

Additional Comments

DED currently manages the NAHTF funds as a reimbursement program, where they will only fund demonstrated project expenses after proof of expenditure by the recipient. We encourage the department to move to a cost-certification model, similar to the LIHTC process, whereby funds are delivered in advance, and costs are demonstrated at the conclusion of the project. This would greatly facilitate and simplify the administration of the funds, and enable a broader range of non-profits and developers to participate. Funding could be administered through title or banks, as is done in Rural Workforce Housing, such that project level controls are maintained.

We appreciate the in-depth guidance and reference documents provided by DED regarding the NAHTF application cycle, however; we would encourage a more centralized document that provides guidance on all scoring requirements. In previous years, there have been 3+ documents needed and referenced to understand a specific point or requirement.

Evan Clark

Evan Clark

Development Associate | Hoppe Development

evan@hoppedevdevelopment.com

January 3, 2025

To: ded.publiccomment@nebraska.gov
Nebraska Department of Economic Development
Nebraska Affordable Housing Trust Fund Administrator

Re: Public Comment on 2025 NAHTF QAP

Nebraska Department of Economic Development (DED):

Thank you for the opportunity to provide comments on the proposed 2025 NAHTF Qualified Allocation Plan (QAP). NeighborWorks Lincoln (NWL) is grateful for the longstanding partnership with DED and looks forward to continuing to work together to provide affordable housing solutions in our state.

Page 1 | Public Comment Process | Comment

NWL appreciates the opportunity to provide comments and recognizes DED for their responsiveness to the comments provided as part of the QAP process.

Page 4 | Program Priorities for 2025 NAHTF | Comment

NWL supports the housing priorities within the QAP. Providing affordable housing solutions to the community has never been more challenging. Funding opportunities like the NAHTF are critical to addressing those challenges.

Page 4 | Funding Maximums and Limitations | Revision Requested

Housing Development Projects

- Homebuyer New Construction and all Rental projects must have sites identified and must have received a DED site review approval at the time of full application submission.

The housing needs of a community are supported by housing studies and affordable housing plans. Many communities in Nebraska, including Lincoln, rely on the ability to provide infill new construction (rather than subdivision development/new construction) as a mechanism to improve aging and dilapidated housing stock in neighborhoods. Most often, infill new construction is conducted on scattered sites that have yet to be determined due to availability, cost, and project feasibility. The DED requirement that sites be identified and approved at time of full application submission puts undue financial burden on nonprofits. This requirement demands organizations either already own those sites or have a purchase agreement/option on potential sites in May 2025 for projects that will be completed in 2026, 2027, and 2028. Furthermore, NAHTF funding is not guaranteed and, if awarded, is not announced until late 2025. In the current market environment land is priced at a premium, and sellers are unwilling or unable (or both) to consider a purchase agreement with these terms. Ultimately, this would require nonprofits like NWL to purchase sites for future use *in hope* of receiving NAHTF funds. This comes at tremendous expense and risk to the organization, depleting operating reserves and increasing holding costs while awaiting results of the NAHTF application cycle.

NWL requests the requirement to have sites identified and a DED site approval at the time of full application submission be removed from the final QAP.

Page 4 | Housing Development NAHTF Request Maximum | Revision Requested

A maximum request per application of \$650,000 is a significant decrease over last program year, particularly since DED's highest program priority considerations this cycle are new affordable single-family housing and new rental units. This reduction is inconsistent with the market realities of increased costs for land, development,

construction, labor, and materials. It also does not take into consideration that nonprofits like NWL try to keep home sale prices stable and affordable for low-to-moderate income households.

NWL cannot build more homes with less funding and requests the 2025 NAHTF maximum per application remain at the 2024 amount of \$750,000.

Page 5 | Developer Fee Maximum | Revision Requested

A reasonable and standard practice in housing development is the assessment of a Developer Fee. This is calculated as a percentage of the total development cost and is not based on the unit's sales price. Costs that are not covered by the Developer Fee must be absorbed elsewhere – typically by increasing the sales price. The proposed Developer Fee cap of 3% does not account for the fact that unit sales prices are often reduced from total development costs to meet the affordability requirements of low-to-moderate income (LMI) households. An inadequate Developer Fee will force organizations like NWL to either increase the price of housing units to cover the gap (making them unaffordable for LMI households), or to absorb the financial shortfall (an irresponsible and unsustainable option).

Affordable homes for LMI families cannot be built with a 3% Developer Fee nor should it be based on sales price. NWL requests the 2025 NAHTF Developer Fee maximum be 15% of the total development costs of NAHTF-assisted units in order to reasonably sustain organizational costs.

NWL recommends striking, “...remaining proceeds from sale of the unit must be returned to the project fund for use on funding subsequent units.” Since NAHTF resources are not intended to fund entire projects, applicants and grantees like NWL must utilize other funding sources in the development of housing projects. Non-NAHTF funds are used and returned in the sales proceeds as determined by the grantee and the requirements stipulated by the other funder(s). NWL requests DED revert to last year's definitions of NAHTF Project Proceeds as outlined previously in the NAHTF Administration Manual and include that language in the final QAP.

Page 6 | Cash Matching Funds | Revision Requested

NWL understands that NAHTF resources are not intended to fund entire projects and has always included cash match and leverage funds in project proformas.

NWL requests DED revise the definition of cash match and include that language in the final QAP that states: “Cash match are unrestricted cash resources pledged by the Applicant for use in the project that stay with the project and may not be a loan or paid back to another entity or to the Applicant during the contract period.”

Page 6 | Other Funding Sources (Leverage) | Revision Requested

Again, NWL understands that NAHTF resources are not intended to fund entire projects and has always included cash match and leverage funds in project proformas.

NWL requests this section revert to the 2024 NAHTF QAP definition of leverage (found on Page 9 of that document): “NAHTF resources are not intended to fund entire projects. Leveraged funds are other resources used for project financing that are not part of the cash match being declared for the project. Leveraged funds are additional sources used to finance the project during the open contract period. Leveraged funds are not included in the contract budget but are considered an important part of the project and are considered during project scoring. The source, use and amount of Leveraged Funds to be expended during open contract period are described in the Leveraged Funds section of the application.

Resources leveraged for project financing during the open contract period 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 funding resources are capable of providing more housing opportunities and economic growth in the community. Projects that have a for-profit entity receiving benefit of the NAHTF assistance will show at least 10% of the amount of non-administrative NAHTF assistance provided to the project as leverage.”

Page 6 | Leveraging Proceeds, Loan Payments & Cash Match | Revision Requested

Because NAHTF resources are not intended to fund entire projects, applicants and grantees like NWL must utilize other funding sources in the development of housing projects. Non-NAHTF funds are used and returned in the sales proceeds as determined by the grantee and the requirements stipulated by the other funder(s).

NWL requests DED provide a definition of NAHTF project proceeds and include that language in the final QAP that states: “NAHTF project proceeds received during the contract period must be returned to the project fund for use in completing subsequent units prior to the contract end date.”

In prior program years, cash match has been required to stay with the project. There should not be any cash match recouped from the sale of any units that is required to stay with the project, or it is not considered match.

NWL requests DED revise this language to accurately reflect cash match and how it is used.

Page 8 | Selection Criteria and Process | Revision Requested

NWL understands that applications will be scored and reviewed objectively and subjectively. However, DED has not provided information about the Development Worksheet, or shared any guidance related to “DED’s standard for project viability.”

NWL recommends striking, “DED reserves the right to not fund an application based on the Development Worksheet information alone, i.e., worksheet is not completed as instructed or the information does not meet DED’s standard for project viability.”

Page 9 | Milestones and Compliance Requirements | Revision Requested

While NWL acknowledges oversight of NAHTF funding is necessary, the milestone requirements have made intended-to-be-flexible funds restrictive and misaligned with current housing development processes. The milestone thresholds, in general, seem arbitrary. Further, it is illogical to have “blanket” milestone requirements for all grantees when there is such variety in the types of projects, and some that encounter unforeseen circumstances in the course of development. For example, managing homebuyer assistance is a significantly different process than for-sale new construction.

NWL requests DED amend the milestone policy to allow for individual review based on the type of project, timeline, and proforma. Also, instead of disqualifying an applicant from participating in the full application cycle based on milestone achievements, NWL requests DED disqualify applicants from participating only in the area in which they did not meet the milestones. For example, if an organization does not meet the 30% funds drawn milestone for a homebuyer down payment assistance project, they would be disqualified from applying for that category in the current cycle.

Page 12 | Points Possible for Housing Development Applications Includes Subjective, Objective and Development Worksheet Evaluation | Revision Requested

Homebuyer Assistance with Rehab projects address the condition of the property for sale to a NAHTF-assisted homebuyer in the same way that Homebuyer Purchase/Rehab/Resale, Rental Rehabilitation, and Homeowner-Occupied Rehabilitation projects do.

NWL requests Homebuyer Assistance with Rehab projects be scored at 95 total points possible.

Additional Recommendations

- NWL requests that DED prioritizes publishing the NAHTF Administration Manual on the DED website to provide applicants and grantees with additional overall guidance to the NAHTF Program. The NAHTF Administration Manual provides a substantial amount of information that has been helpful for grantees in prior program years. Training sessions would also be beneficial to address the many changes to the NAHTF.
- NWL requests DED publish a draft of the 2025 Application Guidelines prior to the official opening of the 2025 NAHTF funding cycle, followed by a 10-day comment period. This would give applicants an opportunity to share any concerns and/or positive comments based on revisions made to the 2025 QAP.

Conclusion

On behalf of NeighborWorks Lincoln, thank you for considering these comments in preparing the final 2025 NAHTF QAP. The organization is hopeful that DED will seriously consider and address the requested revisions to ensure the NAHTF is:

- Less restrictive and administratively burdensome; and
- Aligned with, responsive, and flexible to the housing needs and activities of Nebraska communities and beneficiaries, which are individually unique.

If additional detail or clarity is needed, please contact me via email at charlie.wesche@nwlincoln.org or by phone at (531) 249-5098.

Best regards,



Charles Wesche
Chief Executive Officer

Cc: NeighborWorks Lincoln Board of Directors
Leslie Coleman, Chief Operations Officer



Affordable Housing Builds Strong Communities

January 3, 2025

From: Carol Bodeen, Director of Policy & Outreach
Nebraska Housing Developers Association

To: ded.publiccomment@nebraska.gov
Nebraska Department of Economic Development (DED)
Nebraska Affordable Housing Trust Fund (NAHTF) Administrator

RE: Please see below for the Nebraska Housing Developers Association (NHDA) public comments concerning the Proposed 2025 Nebraska Affordable Housing Trust Fund Qualified Action Plan (QAP).

NHDA commends DED for conducting four “in-person” and one virtual Listening Sessions this fall, allowing housing stakeholders share perspective and insight on how the agency’s housing programs can better address the growing need for affordable housing in Nebraska. We encourage DED to continue this practice as a way to prepare for the annual QAP process.

NHDA appreciates the new timelines that have been added under Selection Criteria and Process on page 8 and 2025 NAHTF Anticipated Timeline on page 10. Notifying applicants within 90 days whether they meet the Threshold Review requirements to be considered, as well as adding a date of December 31 as to when they will receive notice of award will be helpful for potential grantees as they plan and prepare.

Funding Maximums and Limitations

NHDA makes the following comments related to Housing Development Projects applications:

Limiting applicants to submitting projects which serve only one Congressional District.

It is noted that this restriction was not included in last year’s QAP which was available for Public Comment, however it was introduced in the 2024 Application guidelines. This limitation results in restriction for organizations whose service areas overlap Congressional District lines. It also prohibits any kind of statewide program application.

Requiring Homebuyer New Construction and Rental projects to have potential sites identified and reviewed and approved by DED at the time of full application submission.

We feel that this is appropriate when the applicant already has ownership or control over the potential site. However, if the purpose of the project is to acquire and develop upon a potential site that is identified in type or area, but is not yet owned or controlled, it should be acceptable to conduct site review prior to the use of NAHTF funds in acquisition and/or development of that site.

Lowering the NAHTF maximum request per application to \$650,000 after being set at \$750,000 the past two years.

We have expressed support for the past two years of DED's \$750,000 maximum application request. With the higher costs associated with construction showing no downward trend, it would be a better decision to maintain the \$750,000 maximum and not implement a lower limit.

General Administration Activity Allowance

NHDA continues to make the following comments related to "soft costs" associated with the production of affordable housing development:

- NHDA asks that DED consider removing the \$20,000 cap for General Administration.
- NHDA supports the \$5,000 in Housing Management per NAHTF-assisted unit on projects with a primary activity of new construction, purchase/rehab/resale, owner occupied rehabilitation, rental rehabilitation, and rental conversion, but asks that DED consider removing the \$75,000 cap for Housing Management costs on these projects.
- NHDA supports the \$2,500 in Housing Management per NAHTF-assisted unit on projects with a primary activity of Homebuyer Assistance and appreciates that DED is allowing the opportunity for those Homebuyer Assistance projects with minor Rehabilitation request up to \$5,000 per assisted unit with the appropriate documentation. We ask that DED consider removing the cap of \$75,000 on all these projects.

Developer Fee Maximum

Homebuyer projects may assess a Developer Fee of up to 3% of the unit's Sale Price and may deduct that amount from the proceeds gained from the sale of the unit.

NHDA understands the intention of the developer fee allowance cap to specify what DED considers to be a reasonable developer fee. We feel that the change made this year is especially drastic and distances itself from industry standards. Administering an organization that has the capacity to develop successful housing projects is complex. Developer fees, which allow the organization to maintain staffing and project readiness are crucial. NHDA recommends instead a developer fee allowance cap of 15% of total per unit or project cost and not be tied to sales price.

Contractor Profit and Overhead

A DED recipient that is acting in the role of Developer/Owner "shall hire contractors" to construct or rehabilitate units.

We feel that the use of the word "shall" may cause this sentence to be interpreted incorrectly. It infers that DED is mandating Developer/Owners to use contractors rather than their own employees which can perform the construction or rehabilitation work needed.

Milestones Requirement

NHDA suggests that DED continue to review the Milestones threshold requirement for previous awards and drawn funds to ensure that these requirements are an appropriate incentive to push organizations to utilize their grant funds in a timely manner. Every project is different and therefore would have different types of "milestones". This Milestones Requirement seems to more realistically discourage applications from organizations who are currently planning ahead and seeking funding for their next development. As a group, we cannot be supportive of any strategy that discourages proposals and minimizes the number of applications. We urge DED to convene a focus group of long-term NAHTF grantees to brainstorm a better method to accomplish the appropriate timeliness of drawing funds for the various types of projects.

Conclusion

We would encourage DED to publish a draft copy of the actual application guidelines prior to the official opening of the 2025 NATHF Funding Cycle. An additional 10-day comment period could then be provided to address any issues or concerns and/or positive comments on items changed from this Draft QAP document. We also feel that the inclusion of commentary on DED's rationale for changes that have been made would help frequent users of the NAHTF to have better understanding.

We continue to await the publication of an updated NAHTF Manual. We urge DED to prioritize the completion of this Manual and, when completed, conduct training sessions in conjunction with its introduction. It has been many years since training of this type has been held and the advent of a new NAHTF Manual would be a very good time to offer them again. There have been many changes to the administration of the NAHTF over the past few years and there are also many new organizations and staff members throughout the state that would benefit greatly. It would contribute to the overall efficient operation of the NAHTF program. NHDA would be happy to assist in these endeavors in any way that would be helpful to the Department.

In conclusion, NHDA is appreciative of the hard work of the Department and the great results in our communities. We look forward to the continuing positive relationship between our organizations in 2025.

Thank you,

Carol Bodeen

Director of Policy & Outreach





NROC
Nebraska Regional
Officials Council

Nebraska Department of Economic Development
245 Fallbrook Blvd. Ste. 002
Lincoln, NE 68521

December 31, 2024

In Response to the 2025 NAHTF Qualified Action Plan:

The Nebraska Regional Officials Council (NROC) appreciates the opportunity to comment on the proposed 2025 NAHTF Qualified Action Plan. NROC is a statewide organization comprised of Nebraska's eight Economic Development Districts (EDD). These organizations represent the entire state and are committed to strengthening communities throughout each region. Affordable housing development continues to be a key area of focus for NROC, with varying needs and concerns reported across the state. Several of the EDDs have had tremendous success implementing NAHTF projects within their respective service areas. NROC sees the value of the NAHTF program as one of the most direct and effective options for affordable housing development and looks forward to continuing to work with the program to widen the scope of its accomplishments.

NROC's experience working at the "ground level" with Nebraska communities and residents gives it a unique perspective into the evolving housing needs throughout the state. The EDDs have proven themselves to be an effective conduit through which NAHTF funding may flow into successful projects. When considering these past successes alongside NROC's internal collaboration and statewide reach, the organization respectfully requests the Department consider strengthening a crucial partnership by creating an annual allocation of NAHTF funding specifically for NROC and the EDDs to award projects of highest priority throughout their individual regions across the entire state.

In this proposal, NROC suggests the Nebraska Department of Economic Development (DED) provide a \$3 million set aside in NAHTF for EDD-led housing projects across the state. To qualify for this pool of resources, each District would be required to prepare a regional housing study. EDDs would work with community leaders, local developers, and elected officials to identify priorities (demolition, new construction, owner-occupied rehabilitation, etc.). The study would reflect the top needs and would be reviewed and approved annually by the EDD board of directors. District studies would be data-based and require community feedback. With yearly reviews, the idea is for NROC to create a pipeline of projects ready to be funded by the allocation of NAHTF dollars.

This structure would allow programs and projects to be determined and funded through ground-level and data-driven research analysis, to ensure maximum impact based on the priorities identified in each region. The proposed allocation will create an opportunity for the EDDs to further strengthen their connections in local communities while also generating extra awareness of the benefits of NAHTF opportunities. Additionally, this approach could significantly help distribute the funding to have a greater impact on the entire state; Nebraska has only 33 communities with populations exceeding 5,000, and these locations are presently receiving the bulk of the funding.

There is potential for this proposal to benefit NDED by reducing administrative workload, as it will reduce the overall amount of NAHTF applications that must be reviewed/awarded; the EDDs will have the responsibility to award projects from its NAHTF allocation, keeping in line with all NAHTF Program Guidelines. This approach will help pinpoint areas of greatest needs by utilizing the EDDs boot on the ground and first-hand knowledge of statewide affordable housing deficiencies. NROC will continue to utilize current housing studies/data to help drive local conversations, including the data presented in 6 Regions, One Nebraska, and more localized formal studies.

The Nebraska Legislative Research Office's "The Good Life at the Wrong Price: Nebraska's Affordable Housing Challenges" document (2024) is already being utilized by NROC to help support the need for future NAHTF projects. This Legislative report found that the median existing single-family home is currently being sold for more than \$384,000, an increase of 6% within the past year, and an increase of 88% over the last ten (nationally). Such prices are out of reach for the average working family, as noted in the same study with findings from the National Association of Realtors, who determined that in the years spanning 2016-2020, the median purchase price of homes in Nebraska rose 30%- a rise which was nearly twice the increase in median household incomes during the same period (16%). Further compounding the need for an effective statewide rollout of affordable housing development is data presented in the Legislative study regarding the state's increasing population and stagnant housing construction. The study found that since 2020, the number of households in Nebraska has grown faster (40,000) than the construction of new housing units (17,000), exacerbating the lack of overall supply. It was also noted that experts have suggested that the age, occupancy rates, and conditions of homes are the gravest concerns regarding Nebraska's existing housing stock. These findings are not news to NROC; they continually see the detrimental effects of the lack of safe, decent, and affordable housing statewide, and that is why they remain committed to the cause of implementing solutions to reverse this trend.

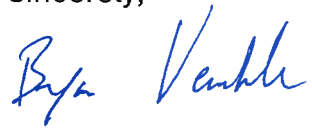
NROC has demonstrated its ability to collaborate and deliver statewide affordable housing assistance, evidenced through its coordinated effort to provide \$1.24 million in Cares Act funding to low-to-moderate income tenants and their landlords with the 2020 Landlord Assistance Program (LAP). The Nebraska Department of Health and Human Services awarded the funding to the Southeast Nebraska Affordable Housing Council (SENAHC), which designed the LAP to include an ambitious statewide disbursement of the funds in

partnership with NROC over the four-month grant period. Nebraska DHHS's trust in SENAHC and NROC was well-placed, as together they successfully funded over 250 direct financial assistance and/or minor rental rehabilitation projects statewide. More information about the LAP and its collaborative rollout is available upon request.

We truly believe this approach will allow NDED to maximize the current structure of the EDDs, utilize years of local experience and knowledge, and continue strengthening a valuable partnership for the benefit of the entire state of Nebraska.

Thank you again for considering these comments. Please reach out with any questions.

Sincerely,



Bryan Venable

Chair

Nebraska Regional Officials Council (NROC)



TO: ded.publiccomment@nebraska.gov
Nebraska Department of Economic Development
Nebraska Affordable Housing Administrator

RE: Public Comment on 2025 NAHTF QAP

Nebraska Department of Economic Development (DED):

NeighborWorks Northeast Nebraska values the opportunity to provide feedback on the NAHTF program.

We are deeply concerned about the current trajectory of the NAHTF. Originally designed as a flexible and user-friendly initiative, it has increasingly become burdened by complex administrative requirements. We strongly urge the Nebraska Department of Economic Development (NDED) to revisit and streamline the program to restore its flexibility and alleviate the administrative challenges faced by grantees.

The NAHTF was established to deliver safe, affordable housing across the state, to encourage development, and promote the general prosperity of Nebraskans. However, we are concerned that the recent regulatory changes may hinder these objectives rather than support them.

We have been in conversations with Governor Jim Pillen and NDED Director KC Belitz about the regulations that are currently in place and they both have stated that their mission is to reduce regulations and barriers. Many of the current regulations and the additional ones imposed in the NAHTF QAP definitely contradict those of the Governor and NDED Director.

Funding Maximums and Limitations—Conflicts with Program Mission

1. Congressional District Restriction

The requirement that applicants may only serve one Congressional District directly contradicts the program's mission to ensure all Nebraskans prosper. NeighborWorks Northeast Nebraska (NWNEN) serves rural communities, where resources are often scarce, and larger towns frequently act as hubs to support smaller, underserved areas.

Restricting service areas to a single district hinders efforts to provide assistance to families in need, particularly in remote or secondary districts that lack infrastructure and resources. Rural areas already face significant challenges in accessing affordable housing, and this policy worsens those barriers by preventing organizations like NWNEN from leveraging regional partnerships to deliver effective housing solutions.

Additionally, the application process imposes rigid quotas for housing unit production, which is especially burdensome for small towns that cannot meet these thresholds independently. Instead, such communities rely on collaboration with larger neighboring towns to meet housing needs.

Recommendation:

We propose allowing applicants to serve secondary districts, provided that the majority of funds are allocated to the primary district. This flexibility will ensure housing resources are distributed equitably, enabling regional collaboration to benefit all Nebraskans consistent with the program's founding principles.

2. Application Limits—Two Housing Development Applications Maximum

The limitation of two Housing Development applications per organization is fundamentally at odds with the mission of encouraging housing development. By restricting applicants, the Nebraska Department of Economic Development (NDED) inadvertently discourages housing production instead of promoting it.

Allow the non-profit organizations operating within the communities to determine what is needed and how the application process should be structured.

Recommendation:

Remove or expand the application limit to reflect realistic development capacities and encourage robust housing growth. Providing additional flexibility will empower developers to meet varying community needs without imposing unnecessary administrative hurdles.

3. Housing Development NAHTF Request Maximum

The current funding caps fail to reflect the economic realities of housing development. Rising construction costs, material expenses, and labor shortages have dramatically increased the cost of building and rehabilitating housing units.

Capping funding levels risks leaving projects underfunded, forcing developers to either scale back their efforts or abandon projects entirely.

Recommendation:

Adjust funding limits to account for inflation and rising construction costs, ensuring that funding allocations align with the true costs of housing development.

4. General Administration Activity Allowance

The administrative allowance of \$20,000 does not adequately cover the significant administrative burden placed on applicants by NDED's requirements. From compliance tracking to reporting and managing grant applications, the workload is extensive and resource intensive.

Smaller organizations, in particular, struggle to absorb these costs, which further reduces their capacity to deliver services effectively. The gap between administrative demands and available resources undermines organizational sustainability.

Recommendation:

Increase the General Administration Activity Allowance to accurately reflect the time, labor, and resources required for compliance and project management. Doing so will support grantees in maintaining program integrity while fulfilling their mission.

5. Projects Partnering with For-Profit Developers/Owners

The requirement that NAHTF funds provided to for-profit developers must be structured as loans (rather than fully forgivable) reduces the program's ability to attract private sector investment, particularly in underserved areas.

Housing development inherently involves risk, and forgivable loans reduce financial uncertainty, making projects more viable. By incentivizing private developers to partner with nonprofits, the program can more effectively address rural housing shortages.

Recommendation:

Allow funds for developers to be fully forgivable, particularly in rural areas where financial risks are higher, and development incentives are critical to achieving affordable housing goals. Flexibility in loan terms will foster greater participation and drive development in the areas that need it most.

6. Developer Fee Maximum—Currently Proposed At 3%

The current developer fee cap of **3%** is alarmingly insufficient and fails to account for the actual costs associated with housing development. In the development industry, a **15% fee** is standard and widely recognized as necessary to cover operational expenses and project oversight. We strongly advocate for increasing the developer fee to at least **15%** to better align with industry norms and ensure financial viability for developers and nonprofit organizations. It is critical to understand that any costs not covered by the developer fee must be absorbed elsewhere—most likely by increasing the sales price of the housing units. This unintended consequence directly undermines the program's mission of promoting affordable housing. A higher sales price reduces affordability for low- and moderate-income families, making it harder for them to access housing. By contrast, an adequate developer fee effectively offsets overhead costs, keeping housing prices lower and more accessible.

The current structure forces organizations to either:

1. Raise the price of housing units to cover gaps created by insufficient fees, or
2. Absorb the financial shortfall, threatening the sustainability of the organization and its ability to serve communities long-term.

Both outcomes are counterproductive to the goals of the NAHTF program.

Additionally, developer fees function as a **service fee**—similar to paying an electrician where part of the cost covers materials, and part covers labor and expertise. In housing development, this fee accounts for project management, compliance oversight, and administrative labor. For nonprofits like NeighborWorks Northeast Nebraska (NWNEN), any revenue generated through this fee is not retained as profit but **reinvested** into future affordable housing projects as well as allow the nonprofit the ability to continue to provide affordable housing, amplifying the program’s impact and extending its reach to serve more Nebraskans.

For example, if the developer fee is limited to **3%**, it must be calculated against an inflated sales price to recover costs, placing an additional burden on homebuyers. In contrast, a **15% fee** supports project costs without shifting the financial burden onto the client, ensuring homes remain affordable and accessible.

Recommendation:

We urge the Nebraska Department of Economic Development (NDED) to:

- **Increase the developer fee to at least 15%.**
- **Simplify this section of the grant to reduce unnecessary complexity.**

This adjustment will ensure nonprofits can continue their mission-driven work to serve Nebraska’s most vulnerable populations. Higher developer fees will also incentivize more organizations and developers to participate in affordable housing initiatives, ultimately expanding housing opportunities statewide.

Maintaining artificially low developer fees will not only discourage participation but also limit the program’s ability to achieve its goals. Instead, enabling reasonable fees fosters sustainability, growth, and the ability to reinvest resources into future projects, creating a lasting impact for all Nebraskans.

7. Milestones—Barriers to Development

The current milestone requirements, while intended to keep projects on schedule, often have the opposite effect—they discourage innovation and flexibility in housing development. At NWNEN, and likely for most grantees, we fully understand the purpose behind milestones: to ensure projects progress efficiently and funds are utilized in a timely manner. However, we must emphasize that **no one is more invested in completing projects successfully and quickly than the grantees themselves.**

We want to be candid; grantees are highly motivated to see projects through to completion, as delays often mean increased costs, administrative burdens, and missed opportunities to serve communities in need. That said, **unforeseen circumstances** are a reality of housing development. The more ambitious and forward-thinking an organization is, the more likely it is to encounter challenges. These hurdles are not failures but rather a reflection of bold efforts to tackle complex housing issues, which aligns directly with the NAHTF’s mission to **encourage development.**

Rigid milestone requirements penalize organizations for taking on innovative and high-impact projects that may require additional time to resolve unexpected challenges. This rigidity contradicts the program's stated goal of promoting affordable housing development by creating barriers to entry for organizations willing to take risks to meet Nebraska's housing needs.

Recommendation:

We strongly urge the Nebraska Department of Economic Development (NDED) to:

1. **Eliminate milestone requirements entirely** and instead adopt a more flexible, case-by-case approach that accounts for the unique circumstances and challenges of each project.
2. At a **minimum**, revise the milestone policy to allow for **individualized reviews** of project timelines rather than automatically disqualifying applicants who encounter delays.

By moving away from a one-size-fits-all milestone system, NDED can **support rather than suppress development**, encouraging organizations to pursue ambitious and creative solutions to Nebraska's housing challenges. Flexibility in addressing delays will ensure projects are judged on their **overall impact and viability**, rather than arbitrary deadlines. Housing development is complex, and grantees should be trusted as partners in this mission, not penalized for navigating the realities of the development process. Removing or revising milestone requirements will foster an environment that **encourages growth, innovation, and development**, ultimately advancing the NAHTF's core mission of expanding affordable housing opportunities statewide.

8. Site Review – Currently, the QAP states: *“Homebuyer New Construction and all Rental projects must have sites identified and must have received a DED site review approval at the time of full application submission.”* This requirement may impose significant limitations on projects pursuing infill new construction. Such projects often face uncertainties regarding property acquisition until later stages, and NAHTF funds are frequently essential to their viability. Logistically, this requirement creates challenges for executing certain project types that are critical to addressing housing needs. Infill projects have the potential to transform communities and revitalize neighborhoods.

Recommendation:

Adjust the timing of the site review to occur later in the process, allowing greater flexibility for project development. We emphasize collaboration between NDED and grantees on a case by case basis to streamline these tasks and support successful project implementation.

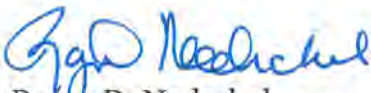
Final Thoughts:

The current funding limitations and administrative hurdles imposed by the NAHTF program contradict its stated mission to promote affordable housing and economic prosperity across Nebraska. Addressing these issues by increasing flexibility, raising funding caps, eliminating arbitrary rules and reducing administrative burdens will empower organizations like NWNEN to better serve Nebraska's most vulnerable communities.

We recommend that DED publish a draft version of the application guidelines before the official opening of the 2025 NAHTF Funding Cycle. Providing an additional 10-day public comment period would offer stakeholders an opportunity to raise questions, express concerns, or provide positive feedback regarding updates made to this Draft QAP document. Additionally, we encourage NDED to include explanations for the rationale behind any changes. This approach would improve transparency and help users of the NAHTF program better understand and adapt to the updates.

Our recommendations are grounded in practical experience and reflect the realities of delivering affordable housing solutions. We urge NDED to carefully consider these suggestions to ensure the program's continued success in fulfilling its mission.

Best Regards,



Roger D. Nadrchal
CEO

Cc: NeighborWorks Northeast Nebraska Board
Senator Robert Dover



January 18, 2024

Lynn Kohout
Director of Housing
Nebraska Department of Economic Development

By Electronic Mail

**Re: Comments on the 2025 Nebraska Affordable Housing Trust Fund
Qualified Allocation Plan**

Please accept the following comments on behalf of The Redress Movement on the 2025 Nebraska Affordable Housing Trust Fund Qualified Allocation Plan (QAP). The Redress Movement is a nonprofit organization that partners with communities across the U.S. to take direct action to redress racial segregation. Omaha is among the four cities where The Redress Movement currently works and has staff.

1. Prioritize Discretionary Funding for Areas with the Greatest Need

One of the many ways our country entrenched segregation was by starving more urban, majority-Black areas of public resources, while allowing them to flow freely to predominantly-white rural and suburban areas. The disparities this created remain today and are part of the reason areas like North Omaha still rank near the bottom of the state on a host of measures like life expectancy¹ and economic mobility.² The Fair Housing Act's Affirmatively Furthering Fair Housing (AFFH) clause obligates federal, state, and local governments to take proactive steps to remedy this harm.³

Though the Nebraska Affordable Housing Act requires 30% of the trust fund's awards to be allocated to each congressional district, regardless of need, the remaining 10% may be allocated differently. In order to align with the tenants of the Fair Housing Act, we urge the Department to prioritize the discretionary funding for areas with the highest need. This is especially important with regard to affordable rental housing, where there are significant differences in the need for support by congressional district. As an example, 44% of renter households in District 2 are cost burdened, compared to 38% in District 1 and 33% in District 3. Similarly, 24% of renter households are severely cost burdened in District 2, compared to 19%

¹ *Life Expectancy Calculator for Adult Nebraskans*, University of Nebraska Medical Center, 2018, <https://publichealth.unmc.edu/lec/map.html>.

² The Opportunity Atlas, U.S. Census Bureau and Opportunity Insights at Harvard University, accessed 12/11/2024, <https://www.opportunityatlas.org/>

³ *What is AFFH?*, U.S. Department of Housing and Urban Development (HUD), accessed 12/11/2024, https://www.hud.gov/AFFH#_What_is_AFFH?.



in District 1 and 16% in District 3.⁴ Douglas County, in District 2, also ranks 2nd highest in the state in its share of renters who are cost-burdened (46%). It has far more cost burdened renter households (40,319) than any other county and actually has more of these households than the other 12 counties at the the top of the list.⁵

2. Take Site Remediation Costs Into Consideration

Another legacy of the segregation-fueled disinvestment in many majority-Black or -People of Color (POC) neighborhoods are the abundance of vacant and blighted properties. In North Omaha, when the City demolished these properties it was standard practice in past decades to backfill the foundation with the debris of the demolished building. Many of these lots are now essentially undevelopable due to the cost to remediate them, even though they may otherwise be excellent locations for affordable housing in an area at risk for gentrification. We hope the Department will consider allowing these costs to be eligible for funding, or at the very least, consider them as leverage, as described in the Predevelopment Costs section (pg 7).

3. Include Scoring to Prioritize Development in High Opportunity and Gentrifying Areas

As mentioned previously, the AFFH principle of the Fair Housing Act prohibits governments from perpetuating segregation and instead compels them to take proactive steps to address it. One of the ways that affordable housing programs regularly perpetuate segregation is by setting priorities or scoring criteria that reward development in low-income, majority-POC areas. The Nebraska Affordable Housing Act includes an unfortunate example of this, prioritizing areas that have been declared “Extremely Blighted,” which is defined as an area with high unemployment and poverty rates.⁶ In order to align with the federal Fair Housing Act, the QAP should include countervailing scoring criteria for developments located in low-poverty areas or areas at risk of gentrification. The Nebraska Investment Finance Authority’s (NIFA) draft 2026/2027/2028 Low Income Housing Tax Credit (LIHTC) QAP already takes this step.⁷

4. Require an Inclusive Criminal Background Screening Policy

In 2016, the Department of Housing & Urban Development (HUD) released joint guidance with the Department of Justice (DOJ) that explains how standard criminal background screenings

⁴ U.S. Census Bureau, American Community Survey, 2023 1-year estimates, Table B25140.

⁵ U.S. Census Bureau, American Community Survey, 2022 5-year estimates, Table B25070.

⁶ Nebraska Revised Statutes §18-2103.13,
<https://nebraskalegislature.gov/laws/statutes.php?statute=18-2103>.

⁷ 2026-27-28 Housing Credit Allocation Plan for 9% LIHTC/AHTC, NIFA,
https://www-nifa-org-files.s3.amazonaws.com/e4ba-75476177-1_-_26-27-28_9_Allocation_Plan.pdf?pdfvld=19xysh.m4hloy7w, pg. 5-6.



are overwhelmingly used in a way that violates the Fair Housing Act.⁸ The practice generally results in African American home-seekers being routinely denied for housing as a result of blemishes on their criminal and arrest records, despite white home-seekers with similar records receiving more favorable outcomes.⁹

Families in need of affordable units significantly overlap with families who have a member with a criminal record. Therefore, we strongly encourage the Department to require all rental developer recipients of trust fund awards to institute inclusive criminal background screening policies. These policies will support formerly incarcerated people and increase community safety by enabling family reunification so that people with criminal records can move in with family after they're released and reduce recidivism by ensuring people have a stable home.

Inclusive criminal background screening policies follow HUD guidance by excluding arrests, and considering the nature, severity, and recency of any criminal conduct. These policies also require the housing provider to make their screening policy available publicly and a copy of any completed background check report available to the applicant.

Other jurisdictions have also seen success with more inclusive policies. In 2016, the Housing Authority of New Orleans (HANO) implemented a policy that gives formerly incarcerated people a chance to live in public housing while still ensuring public safety and it has been operating without incident for nearly a decade.¹⁰ Building on that success, the Louisiana Housing Corporation (LHC), which operates the LIHTC program in the state, unanimously supported requiring an inclusive screening policy as part of its QAP in 2021.¹¹ That policy now covers 10% of all rental housing in the state.¹²

⁸ *Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions*. U.S. Department of Housing and Urban Development. April 4, 2016, https://www.hud.gov/sites/documents/HUD_OGCGUIDAPPFHASTANDCR.PDF.

⁹ *Locked Out: Criminal Background Checks as a Tool for Discrimination*. Louisiana Fair Housing Action Center. September 28, 2015, <https://lafairhousing.org/blog/study-finds-criminal-background-policies-used-as-cover-for-discrimination>.

¹⁰ *The Housing Authority of New (HANO) Criminal Background Screening Policy: Assessment of Risk and Individualized Review*, Housing Authority of New Orleans, 2016, <https://www.nhlp.org/wp-content/uploads/Housing-Justice-Network-Conference-March-2019.pdf>.

¹¹ *Memo: Fair Housing and Tenant Selection with Regard to Criminal Record Screening 7/14/21*, Louisiana Housing Corporation, 7/14/21, <https://www.lhc.la.gov/hubfs/Document%20Libraries/Housing%20Development/Compliance/Verifications/Fair%20Housing%20and%20Tenant%20Selection%20with%20Regard%20to%20Criminal%20Record%20Screening%20071421.pdf>

¹² Jessica Williams, "New state rules bar some landlords from denying housing based on past criminal records," *NOLA.com*, July 20, 2021, www.nola.com/news/politics/new-state-rules-bar-some-landlords-from-denying-housing-based-on-past-criminal-records/article_07d7e8e8-e8a1-11eb-8449-6bd1747f8e8c.html.



We appreciate the time you've taken to read and consider our comments.

Sincerely,

Clarice Dombeck
Sr. Campaign Organizer - Omaha
The Redress Movement



Nebraska Department of Economic Development
245 Fallbrook Blvd. Ste. 002
Lincoln, NE 68521

December 27, 2024

In Response to the 2025 NAHTF Qualified Action Plan:

Thank you for the opportunity to comment on the 2025 Qualified Allocation Plan. The comments and recommendations below are being submitted on behalf of the Southeast Nebraska Affordable Housing Council (SENAHC).

Our 17-county region continues to benefit from the program, and we thank the Department for its trust in our organization to help deliver these crucial projects and for its consideration of the following comments. We respectfully request the Department to consider the following suggestions related to NAHTF application scoring and fund allocation:

Please consider awarding extra application points to State-designated CHDO organizations and/or those who previously completed successful NAHTF Technical Assistance projects. To further increase the impact of Nebraska's CHDOs, we also would like to suggest that the Department designate a funding priority or a percentage allocation of available trust funds to be utilized only by State CHDO organizations that identify affordable housing as a high priority.

Additionally, when reviewing and scoring applications, please consider giving greater regard to applicants with ambitious reuse plans. Those who present clear and wide-ranging plans for the reuse of funds, particularly those that can create a revolving and/or multi-jurisdictional collaborative pool of project funds designed to create affordable housing in perpetuity, allowing the grant funds to have a crucial impact for years to come.

SENAHC also asks the Department to consider placing a higher priority on the overall NAHTF impact in communities with smaller populations. We understand that overall application supply, strength, and scoring plays a key role in determining where the funds are awarded, however, it might be beneficial to create a specific program or allocate more of the existing NAHTF resources specifically to rural areas of Nebraska. This request is based on multiple factors, including the numbers from the combined 2023 and 2024 NAHTF awards: of the \$23,469,000 combined award pool, \$10,844,000 was awarded between Omaha and Lincoln (slightly over 45% of the available funding), while only \$12,625,000 was designated to projects throughout the rest of the state. Would it be possible for the Department to evenly allocate and distribute the trust funds in accordance with population bases, rather than retain the current system which allows nearly half of the funds to be awarded in Omaha and Lincoln?

Recent population migration data reflects how this might be a useful approach, as the Nebraska Examiner reports that Nebraska's "exurbs" are growing faster than the actual suburbs of the state's metro areas. As defined by the Examiner and demographers, "exurbs" are smaller communities found on the fringes of larger metro areas, or towns that are "farther out than a suburb but still in or close to a metropolitan area." The Examiner article details the population growth in these communities, much of which has recently been fueled by a combination of factors including post-pandemic remote work opportunities and the overall ability to find better options for affordable housing. Over the past three years Nebraska has edged closer and closer to the 2 million population mark; as the state continues to grow, so too does the rise in homeownership and residency in smaller, more affordable communities. At a time when many young families are being priced out of traditional suburban homes, we respectfully request that the Department consider altering the NAHTF program to allow for funding to flow into smaller communities, as these are the areas where data reflects an overall more affordable quality of life.

Thank you again for considering these comments. They were prepared based on feedback received from our experiences working with the NAHTF program throughout the southeast region and examinations of recent data and housing trends. SENAHC is grateful for the NAHTF opportunity and looks forward to helping communities receive its benefits for many years to come.



Sincerely,

Tom Bliss, Executive Director



Nebraska State Legislature

SENATOR ROBERT "ROB" DOVER

COMMITTEES

Appropriations

District 19
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2929
rdover@leg.ne.gov



TO: ded.publiccomment@nebraska.gov
Nebraska Department of Economic Development
Nebraska Affordable Housing Administrator

RE: Public Comment on 2025 NAHTF QAP

Nebraska Department of Economic Development (DED):

I want to take this opportunity to provide comments on the proposed 2025 Nebraska Affordable Housing Trust Fund Qualified Action Plan. As the State Senator of Nebraska's 19th District, I am pleased that this housing program is available in our state.

I have been in contact with organizations in District 19 who have voiced their concerns to me regarding the administration of the NAHTF. When the NAHTF was originally designed and offered, it was intended to be a more flexible housing program than any of the Federal Grant Programs.

I have been informed that additional regulations and administrative procedures continue to be added for grantees to work through. Those extra regulations are causing barriers and require much more time to administer housing programs. It increases the grantee's costs and takes away from housing development. I believe that a more streamlined process is necessary for the NAHTF to live up to the purposes for which it was created. Also, I am aware of the 3% limitation of the Developer Fee for grantees. As a housing developer myself, I believe that a 3% Developer Fee is much below the required percentage to support housing development. This fee should be decided upon each individual grantee to cover their costs of development.

I serve on the Appropriations Committee of the Nebraska Legislature. These barriers and additional requirements are very concerning to me and my fellow Legislators. Please re-evaluate your QAP with serious consideration of the many details/changes that you will be receiving from organizations across the state during this comment period. They are experts and experienced housing developers who want the NAHTF to be a more flexible resource to work on Nebraska's housing crisis.

Sincerely,

A handwritten signature in black ink that reads "Rob Dover".

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



January 3, 2025

From: Amy Thelander, Southwest Nebraska Community Betterment Corporation (SWNCBC)
To: Nebraska Department of Economic Development (NDED)

RE: Proposed Nebraska Affordable Housing Trust Funds 2025 Qualified Action Plan Public Comment

Please see below SWNCBC's Public Comments on the Proposed 2025 QAP:

1. SWNCBC would like to express their appreciation for NDED conducting four in-person and one virtual Listening Sessions allowing NDED grantees and stakeholders to give input on how to address and improve programs to increase affordable housing in Nebraska.
2. SWNCBC supports the NAHTF maximum request per application to \$650,000 as it will allow opportunity for more projects to be funded.
3. SWNCBC would like to see the developer fee based off of the total development costs rather than the unit sale price. New construction is intricate and time consuming. Developer fees allow organizations to maintain capacity to develop successful affordable housing units.
4. SWNCBC appreciates that NDED included timelines in the 2025 QAP. This allows applicants to use those dates in the application, milestones and performance plans.
5. SWNCBC continues to support the \$5,000 in Housing Management per NAHTF completed unit on new construction, purchase rehab resale, owner occupied rehabilitation, rental rehabilitation and rental conversion projects. We also support the \$2,500/per NAHTF assisted unit for Homebuyer Assistance projects. SWNCBC would like to see the cap of \$75,000 removed and allow Housing Management for all assisted units in the NDED Contract.
6. SWNCBC encourages NDED to complete the updating of the NAHTF Manual as well as hold training sessions when it is completed and uploaded to website. This would greatly

benefit the grantees and organizations administering NAHTFs as many changes and procedures have been made over the past few years.

SWNCBC wishes to thank NDED for the opportunity to make comment on the 2025 proposed QAP and for the work you are doing to provide affordable housing in our communities. SWNCBC looks forward to continuing our partnership and increasing affordable housing in Nebraska.

Thank you,

Amy Thelander

SWNCBC Executive Director



Nebraska Department of Economic Development
245 Fallbrook Blvd. Ste. 002
Lincoln, NE 68521

December 27, 2024

In Response to the 2025 NAHTF Qualified Action Plan:

The Southeast Nebraska Development District (SENDD) appreciates the opportunity to provide comments on the NAHTF's proposed 2025 Qualified Action Plan (QAP). Our 16-county region continues to benefit from the program, especially through the recent award of various owner-occupied rehab (OOR) and new construction projects. SENDD's member communities value the incredible improvements funded by the NAHTF, and we continue to see a growing need for additional affordable housing assistance throughout our service area. We thank the Department for its trust in our organization to help deliver these crucial projects and for its consideration of the following comments.

We respectfully request the Department to consider the below suggestions related to NAHTF application scoring and fund allocation:

- Regional applications within the same congressional district (either multi-community, multi-county or a collaboration of multiple organizations) receive extra application scoring points.
- State designated CHDO applicants and/or those who previously completed successful NAHTF Technical Assistance projects receive extra application scoring points.
- Provide a funding priority or a percentage allocation of the fund to designated State CHDO organizations or Development Districts identifying affordable housing as a top priority
- A specific program or designation of more resources to be earmarked for rural areas of Nebraska

Thank you again for considering these comments. They were prepared based on feedback received from our experiences working with the NAHTF program throughout the southeast region. As always, SENDD and the communities we serve are extremely grateful for the NAHTF opportunity and can attest to its significant impact across our service area. Please feel free to reach out with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Bliss", is written over a light blue horizontal line.

Tom Bliss, Executive Director

LINCOLN OFFICE
7407 O Street
Lincoln, NE 68510
Office: 402-475-2560

www.sendd.org



AUBURN OFFICE
919 Central Avenue
Auburn, NE 68305
Office: 402-862-2201

SENDD is an Equal Opportunity Provider and Employer



Memorandum

TO: ded.publiccomment@nebraska.gov
FROM: Buey Ray Tut, CEO, Spark
DATE: January 3, 2025
Re: **PUBLIC COMMENT ON 2025 NAHTF PROPOSED QUALIFIED ALLOCATION PLAN (QAP)**

Please see below for Spark's public comments concerning the 2025 NAHTF Proposed QAP.

Allocation of Funds and Spending Authority: Comment

Spark recognizes that the demand for affordable housing greatly exceeds the current supply throughout Nebraska, and the lack of affordable housing units hampers the ability of Nebraska's businesses and economy to expand and attract new workers to the state. DED's Proposed NAHTF Allocation and Spending Authority has remained flat since the 2022 Program Year at \$12.75 Million¹. In the same three-year period, DAS Financial Reports show the NAHTF Cash Fund Balance has grown 42%, from \$30.2 Million in November 2021² to \$43.1 Million in November 2024³, and CPI inflation is at 14%⁴.

As such, **Spark urges DED to request additional spending authority from the Nebraska Legislature** to reflect the increased need and cost of affordable housing development and the increase in revenue from the Documentary Stamp Tax. **Spark urges DED to make efforts to award every dollar available to support affordable housing development.**

Maximum grant request: Revision requested

NAHTF Program Year 2024 allowed a maximum request per application of \$750,000; the 2025 NAHTF Proposed QAP would *reduce* the maximum request by 13%, or \$100,000, to \$650,000. Between rising construction costs, economic efficiencies in larger projects, and the pressing need for housing, Spark believes the benefits of maintaining the 2024 maximum request of \$750,000 outweigh any considerations for reducing the limit. **Spark respectfully requests that DED revise the 2025 NAHTF QAP to return to prior year limits and allow a maximum request of \$750,000 per application.**

Developer Fee Maximum: Revision requested

The Developer Fee Maximum of 3% of a unit's sale price is not in line with standard developer fees and does not reflect the organizational resources and risk involved in taking on smaller affordable housing projects in difficult-to-develop areas. **Spark suggests that DED cut red tape by not specifying a maximum developer fee and instead allow applicants to compete for awards with a developer fee that is supported by market forces.**

¹ <https://opportunity.nebraska.gov/wp-content/uploads/2022/02/2022-NAHTF-QAP-FINAL.pdf>

² https://das.nebraska.gov/accounting/nis/reports/112021/Fund_Summary_by_Fund_Report.pdf

³ https://das.nebraska.gov/accounting/docs/reports/Monthly/FY2025/112024/Fund_Summary_by_Fund_Report.pdf

⁴ https://www.bls.gov/data/inflation_calculator.htm



Recipients hiring contractors: Comment

Spark recognizes that many affordable housing developers find cost efficiencies by leveraging licensed in-house contractors to construct or rehabilitate units. Requiring DED Recipients to hire contractors may have the unintended consequence of driving up costs. **Spark suggests that DED consider clarifying whether it intends to prohibit Recipients from leveraging in-house contractors.**

Clarification of the term “Developer/Owner”: Comment

The 2025 NAHTF Proposed QAP frequently uses the term “Developer/Owner.” While in some cases, a developer may also own a project, Spark understands “developer” and “owner” to have distinct meanings. **Spark suggests that DED provide a definition or clarification.**

In addition, **Spark suggests that DED cut red tape by removing the requirement to structure NAHTF assistance as a non-forgivable loan in deals with for-profit entities.** Each affordable housing project faces unique financing challenges, so allowing NAHTF Recipients maximum flexibility in structuring deals with partners will enable the most efficient use of Trust Funds.

Mixing NAHTF and State-Administered Pre-Development ARPA funds

The 2025 NAHTF Proposed QAP indicates that state-administered awards in the Leverage Table or Development Worksheet will cause the application to be flagged for review and decision. Spark recognizes that some state-administered American Rescue Plan Act (ARPA) funds were used to prepare sites for future affordable housing.

Additionally, acquisition and site preparation, construction, and home purchase are separately financed and administered functions. Limiting stacking across all three of these activities severely limits the success of the ecosystem of supports needed to develop, build, and sell affordable housing. **Spark suggests that DED allow NAHTF funds to be used for projects on sites that were prepared using state ARPA funds.**

Thank you for considering these changes to the 2025 NAHTF Proposed QAP. If you have any questions regarding these comments, please contact Buey Ray Tut at buey@sparkcdi.org.

Sincerely,

A handwritten signature in blue ink that reads "Buey Ray Tut".

Buey Ray Tut
CEO, Spark