



**FINAL**

**Nebraska Affordable Housing Act  
Qualified Allocation Plan (QAP)**

**2016**

---

**State of Nebraska, Department of Economic Development**

**Housing and Community Development Division**

**Nebraska Affordable Housing Trust Fund (NAHTF)**

**Effective July 1, 2016 through June 30, 2017 (2016 Program Year)**

**NEBRASKA AFFORDABLE HOUSING ACT  
2016 NAHTF Allocation Plan**

**Table of Contents**

1.	Introduction .....	3
1.1	Anticipated NAHP Resources and Allocation .....	4
2.	Development of NAHTF Allocation Plan .....	6
2.1	Allocation of NAHTF Funds .....	7
3.	Allocation of NAHTF Funds Process .....	8
3.1	Determine the amount of NAHTF funds available for award .....	8
3.2	Utilize NAHTF resources for required HOME match .....	8
3.3	Nebraska Affordable Housing Act requirement to allocate a minimum of 30% of the NAHTF allocation to each of the 3 U.S. Congressional Districts .....	9
3.4	DED priority for non-profit operating assistance to eligible entities .....	9
3.5	Leverage public and private resources with NAHTF resources .....	9
3.6	DED priority for housing projects throughout the state .....	10
4.	Eligible Applicants and Activities .....	11
4.1	Eligible Applicants... ..	11
4.2	Eligible Activities .....	11
4.3	Allocation Funding .....	12
4.4	Allocation Award Process .....	12
5.	Funding Categories .....	13
5.1	Homebuyer .....	13
5.2	Owner Occupied Rehabilitation .....	13
5.3	Rental .....	14
5.4	Non-Profit Operating Assistance .....	14
5.5	Other Eligible Activities .....	14
6.	Selection Criteria .....	15
6.1	Selection Summary .....	16
6.2	Homebuyer, OOR, and Other Eligible Activities Review Criteria Summary .....	16
6.3	Rental Review Criteria Summary .....	17
6.4	Non-profit Operating Assistance Review Criteria Summary .....	18
7.	Annual Cycle Application Process Summary .....	19
8.	NAHTF Program Income .....	19
9.	Nebraska Commission on Housing and Homelessness .....	20
10.	Amendments to the Qualified Action Plan .....	20
11.	Housing Contact Information .....	20
12.	Exhibits	
12.1	Scoring Matrix and Example Questions .....	22
12.2	Annual Cycle Timeline .....	23
12.3	Public Comments .....	24
12.4	Nebraska U.S. House of Representatives Congressional Districts .....	39

## 1. INTRODUCTION

The Nebraska Affordable Housing Act (Neb. Rev. Stat. §§58-701 through 58-711) requires the Nebraska Department of Economic Development (DED) to develop a Qualified Allocation Plan (QAP) for distribution of Nebraska Affordable Housing Trust Fund (NAHTF) resources throughout the state.

The Department has also adopted rules and regulations concerning the administration of the Nebraska Affordable Housing Act (See 86 NAC 5). These regulations provide further details on the requirements of the Act and regulations, which include recommended priorities for allocating trust fund resources and the selection criteria. These include giving first priority in allocating trust fund assistance among selected projects to those projects which meet all of the following criteria: (1) are located in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act found in the Nebraska Revised Statutes §§13-2101 through 13-2112; (2) serve the lowest income occupant; and (3) are obligated to serve qualified occupants for the longest period of time.

The State, within the 2015-2019 Consolidated Plan (as it relates to the HUD (Housing and Urban Development) federal programs of CDBG (Community Development Block Grant), HOME, ESG (Emergency Solutions Grant), and HOPWA (Housing Opportunities for Persons with AIDS)), adopted 5 Priority Needs, one of which includes a Housing Priority Need.

The State's Housing Priority Need is based upon the significant need for affordable housing throughout the state. Communities, developers, non-profit organizations, and other members of the public have identified affordable housing as a vital resource that helps communities and neighborhoods improve economic opportunities. Adequate housing is vital to the viability of communities and improves economic development opportunities.

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

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

## 1.1 ANTICIPATED NAHP RESOURCES AND ALLOCATION

Within the Nebraska Affordable Housing Program (NAHP), resources will be provided that primarily benefit low to moderate income persons through affordable housing activities. These activities are completed through funding from Community Development Block Grant (CDBG), the HOME Investment program, and the Nebraska Affordable Housing Trust Fund (NAHTF).

Below is a summary of those resources and the general allocations based on proposed activities.

### NEBRASKA AFFORDABLE HOUSING PROGRAM FUNDING

CDBG	HOME	NAHTF	TOTAL FUNDS
\$2,000,000	\$2,700,000	\$10,000,000	\$15,000,000

\*These totals do not include administrative nor discretionary funds

### NEBRASKA AFFORDABLE HOUSING PROGRAM ALLOCATIONS

Source	Amount	Activities
CDBG	\$2,000,000	OOR

Source	Amount	Activities
HOME	\$600,000	CHDO
HOME	\$2,100,000	Tax Credit Rental
<b>Total</b>	<b>\$2,700,000</b>	

Source	Amount	Activities
NAHTF	\$6,600,000	Annual Cycle for Homebuyer and OOR
NAHTF	\$2,400,000	Annual Cycle Rental Pool
NAHTF	\$319,735	Annual Cycle Non-Profit Operating Pool
NAHTF	\$680,265	Match for HOME resources
<b>Total</b>	<b>\$10,000,000</b>	

**CDBG FUNDS:**

The Department received a 2016 CDBG allocation of approximately \$2,000,000. CDBG funds will only be available for applicants that are CDBG-eligible units of general local government and applying within the CDBG Owner Occupied Rehabilitation Program.

**HOME FUNDS:**

The Department received a 2016 HOME allocation of approximately \$3,000,000. Of which, 10% of the allocation, or \$300,000, will be eligible to cover administrative costs; and, 15% of the allocation, or \$600,000, of HOME resources must be utilized by CHDO eligible projects, including rental, homebuyer, and homeowner activities. The remaining resources, approximately \$2,100,000 will be used to fund joint NIFA (Nebraska Investment Finance Authority)/DED Low Income Housing Tax Credit (LIHTC) projects for the development of rental housing.

**NAHTF FUNDS:**

The Department allocated \$10,600,000 of the 2016 NAHTF for the 2016 Program Year. A portion of documentary stamp taxes from real estate transactions are transferred to the Nebraska Affordable Housing Trust Fund. Based on current revenue projections, current commitments, and estimated expenditures, the Department will utilize the above mentioned allocation from the Trust Fund for projects funded during the next fiscal year. Of the total allocation, \$600,000 in resources will be used for State administrative expenses related to the program.

Per the requirements of the Nebraska Affordable Housing Act, and NAHTF regulations, no less than 30% of the NAHTF funds allocated annually must be provided to each of the 3 U.S. Congressional Districts. For the upcoming Program Year, it is anticipated that \$3,000,000 will be allocated in each Congressional District for eligible projects, including rental, homebuyer and homeowner activities. This amount reflects 90% of the proposed project allocation.

The remaining 10% of the allocation, or \$1,000,000, will be allocated first to meet the State's HOME Investment Partnerships matching requirements. This includes \$680,265 in NAHTF resources for HOME Match and will be distributed through the joint NIFA/DED LIHTC application cycles. Any remaining resources from the 10% allocation will be utilized within a Non-Profit Operating Assistance application pool. Approximately \$319,735 will be utilized within that pool of resources available during the NAHTF Annual Cycle.

## **2. DEVELOPMENT OF NAHTF ALLOCATION PLAN**

The Qualified Allocation Plan (QAP) was developed to address the housing needs as identified by communities, developers, non-profit organizations, and other members of the public. The NAHTF is a vital resource that helps communities and neighborhoods provide adequate housing which is crucial to the viability of communities and improves economic development opportunities.

The Proposed QAP was the result of public participation and input from statewide housing partners and nationwide housing participants. Such participants include community representatives, developers, non-profit organizations, public agencies, and advisory committees.

Public comment and input was solicited at focus group meetings held in 2014 and 2015. The focus group attendance included participants from communities, non-profit organizations, community action partnerships, housing developers, development districts, public housing authorities, and the Nebraska Housing and Homelessness Commission. Comments generated from these meetings, along with collective written feedback, culminated in the Proposed 2016 Nebraska Affordable Housing Act QAP.

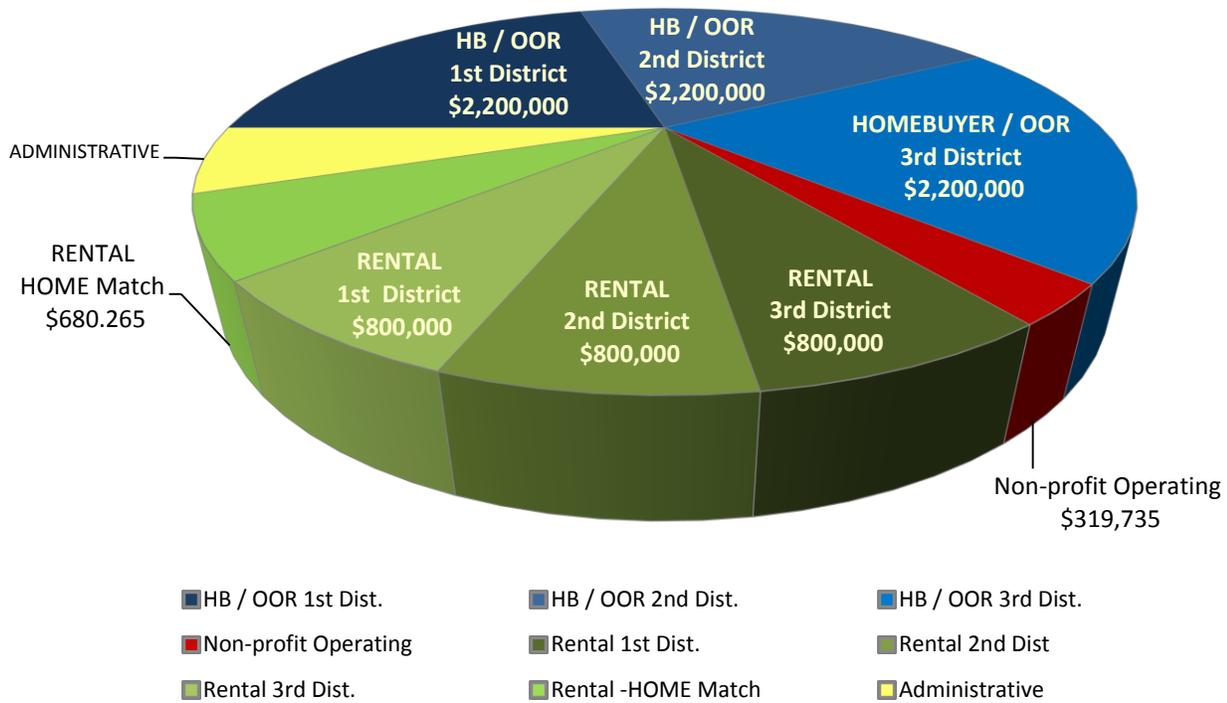
The Proposed 2016 QAP was presented to the Policies and Issues Committee of the Nebraska Commission on Housing and Homelessness (NCHH) for full review prior to its release to the public. Recommendations from the Policies and Issues Committee were incorporated into the proposed QAP and presented to the full NCHH commission.

The Proposed 2016 QAP was released for a 30-day public comment period on December 17, 2015. A public hearing on the Proposed 2016 QAP was held on January 6, 2016 in Lincoln, Nebraska. All comments received by the Department were taken into consideration during the completion of the Final 2016 QAP. (See Exhibit 12.3 Public Comments)

## 2.1 ALLOCATION OF NAHTF FUNDS SUMMARY

The Nebraska Affordable Housing Trust Fund (NAHTF) will provide resources that benefit low to moderate-income persons through affordable housing activities.

Below is a summary of those resources and the general allocations based on eligible activities.



NAHTF Allocation	Activities
\$6,600,000	Annual Cycle for Homebuyer and OOR
\$319,735	Annual Cycle Non-Profit Operating Pool
\$2,400,000	Annual Cycle Rental
\$680,265	Match for HOME resources
\$600,000	Administration
<b>\$10,600,000</b>	

### **3. ALLOCATION OF NAHTF FUNDS PROCESS**

The State's Housing Priority Need objectives include promoting: additional affordable housing; housing preservation of existing affordable housing; affordable homeownership opportunities; and statewide understanding of fair housing law. These objectives will be accomplished, in part, using NAHTF resources that may be used for the following: rental; homebuyer; owner occupied rehabilitation; non-profit operating assistance; and education and outreach programs, which serve persons throughout the state.

#### **3.1 DETERMINE THE AMOUNT OF NAHTF FUNDS AVAILABLE FOR AWARD.**

For the 2016 Program Year, NAHTF resources include a total of \$10,600,000, of which \$600,000 will be utilized for State administrative expenses related to the program. \$10,000,000 will be available for eligible projects and activities.

Within the 2016 Program Year, NAHTF resources will be used for: (1) a competitive housing application cycle (Annual Cycle); and (2) funding within NIFA/DED's tax credit cycles in order to provide necessary NAHTF resources for the required HOME Program match.

Any additional NAHTF funds that may be available would result in an increase to the above mentioned allocation and would result in additional funds being made available within the Annual Cycle.

#### **3.2 UTILIZE NAHTF RESOURCES FOR REQUIRED HOME MATCH.**

Annually a portion of resources (both HOME and NAHTF) is reserved for low-income housing tax credit (LIHTC) projects. Project funding requires eligible applicants to complete a NIFA/DED application and applicants must apply within DED/NIFA's Round 1, Round 2; within the Collaborative Resource Allocation for Nebraska (CRANE) Application Cycle; or within the 4% LIHTC Application Cycle as defined within the NIFA Qualified Allocation Plan.

A portion of NAHTF funds are reserved for these tax credit projects and utilized as HOME Match per HUD's regulatory requirements of ensuring that 25% of the HOME allocation is matched with other non-federal resources. For the 2016 Program Year, \$680,265 in NAHTF resources will be used to meet the HOME match requirements.

DED may also award NAHTF funds to other tax credit projects in order to meet the NAHTF 30% per Congressional District statutory requirement.

### **3.3 NEBRASKA AFFORDABLE HOUSING ACT REQUIREMENT TO ALLOCATE A MINIMUM OF 30% OF THE NAHTF ALLOCATION TO EACH OF THE THREE U.S. CONGRESSIONAL DISTRICTS.**

DED will meet this statutory requirement in Congressional District 1, Congressional District 2 and Congressional District 3 by reserving a minimum of \$3,000,000 of NAHTF funds in each of three Congressional Districts during the NAHTF Annual Cycle. If there are not enough pre-applications to meet the 30% requirement per district, the pre-application due date will be extended. If there is not enough requested through full applications received, the amounts of awarded grants may be adjusted or other NAHTF eligible projects will be funded to meet the 30% minimum requirement per district.

The remaining 10% of the NAHTF allocation proposed for the 2016 Program Year will include reserving a minimum of \$680,265 for HOME Match (as noted above) and the remaining \$319,735 will be used for projects within the Annual Cycle.

Funding within the Annual Cycle is based on the revenues generated and available within the Trust Fund. If funds are not available, allocations will be adjusted accordingly.

### **3.4 DED PRIORITY FOR NON-PROFIT OPERATING ASSISTANCE TO ELIGIBLE ENTITIES.**

\$319,735 in NAHTF resources from the 2016 allocation will be available within DED's Annual Cycle for Non-profit Operating assistance. Pre-applications will be due on a date to be determined. Full applications will be due on a date to be determined. Application Guidelines for the Annual Cycle were be available on DED's website in January 2016.

Grants for operating assistance will be available to eligible applicants in the amount of \$60,000 for a two-year period (\$30,000 per year). All applications for operating assistance will be scored during the Annual Cycle in a separate pool of operating assistance applications. This pool will be funded from the 10% allocation of NAHTF funds outside of the statutorily required Congressional District distribution. All funds not awarded for operating assistance projects will be made available within the Annual Cycle for other eligible projects.

### **3.5 LEVERAGE PUBLIC AND PRIVATE RESOURCES WITH NAHTF RESOURCES.**

The Nebraska Affordable Housing Act addresses leveraging private funds in order to fund projects that provide housing in areas to be of critical importance for the continued economic development and economic well-being of communities where a shortage of affordable housing exists. Therefore, a portion of the NAHTF allocation will be used for rental housing requiring a 10% match from each applicant for eligibility of award.

\$2,400,000 in NAHTF funds from the 2016 allocation will be available within DED's Annual Cycle for rental housing development. In order to meet the statutorily required Congressional District distribution, no less than \$800,000 will be made available within each of the 3 Congressional Districts.

All applications for rental housing will be scored, during the Annual Cycle, in a separate pool of rental applications. All funds not awarded for rental housing projects will be made available within the Annual Cycle for other eligible projects. Pre-applications will be due on a date to be determined. Full applications will be due on a date to be determined. Application Guidelines for the Annual Cycle will be available on DED's website in January 2016.

### **3.6 DED PRIORITY FOR HOUSING PROJECTS THROUGHOUT THE STATE.**

\$6,600,000 in NAHTF funds from the 2016 allocation will be available for homebuyer, owner occupied rehabilitation, and other eligible activities within DED's Annual Cycle. Pre-applications and full applications will be due on a date to be determined.

The Annual Cycle application process includes first scoring and ranking all eligible applications. The highest scoring application in each of three Congressional Districts will be recommended for award.

After the highest scoring application in each Congressional District has been designated the remaining applications will be ranked statewide, with the highest scoring applicants being recommended for award with consideration for ensuring that no less than 30% of the NAHTF allocation is provided to each of the three congressional districts. If there are not enough feasible projects in any of the separate pools of funding, the remaining funds will be moved into another funding pool within the same district, in order to fund viable projects.

For purposes of determining proper Congressional District allocation, at the time of application submittal each applicant must designate which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District. No applicant may have more than one application for the same activities within any project (i.e. owner occupied rehab, purchase, rehab, resale, rental, etc.).

For statewide or regional programs, at the time of application submittal it will also be necessary for the applicant to select which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District.

The Department reserves the right to add additional resources to the specified allocation amount to fully fund projects that otherwise might not be able to be fully funded. The Department will maintain the required 30% Congressional District allocation. DED reserves the right to fund or not fund applications based on the status of other federal and state funding sources involved in the project and any conditional reservations of funds, regardless of ranking.

## **4. ELIGIBLE APPLICANTS AND ACTIVITIES**

### **4.1 ELIGIBLE APPLICANTS**

A variety of projects can be funded with NAHTF resources. DED will award funds to eligible local governments, local or regionally-based nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), public housing authorities, and other eligible entities to carry out quality housing programs and projects that meet the State objectives for the NAHTF programs.

### **4.2 ELIGIBLE ACTIVITIES**

As provided in Section 58-706 of the Act, the activities noted below are eligible for assistance using NAHTF resources within the eligible project activities as noted within the 2016 Application Guidelines. If any activity is not noted within the list below, please consult a housing Program Representative in order to determine if any other proposed activities are eligible for the program.

1. New construction, rehabilitation, or acquisition of housing to assist low-income and very low-income families;
2. Matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families;
3. Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
4. Matching funds for operating costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's ability to produce affordable housing;
5. Mortgage insurance guarantees for eligible projects;
6. Acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families;
7. Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
8. Projects providing housing in areas determined by the Department of Economic Development to be of critical importance for the continued economic development and economic well-being of the community and where, as determined by the department, a shortage of affordable housing exists;
9. Infrastructure projects necessary for the development of affordable housing;
10. Downpayment and closing cost assistance;
11. Demolition of existing vacant, condemned, or obsolete housing or industrial buildings or infrastructure;

12. Housing education programs developed in conjunction with affordable housing projects. The education programs must be directed toward:
  - (a) Preparing potential home buyers to purchase affordable housing and post purchase education;
  - (b) Target audiences eligible to utilize the services of housing assistance groups or organizations; and
  - (c) Developers interested in the rehabilitation, acquisition, or construction of affordable housing;
13. Support for efforts to improve programs benefiting homeless youth; and
14. Vocational training in the housing and construction trades industries by nonprofit groups.

#### **4.3 ALLOCATION FUNDING**

Nebraska Affordable Housing Trust funds are allocated equally to each of the three U.S. Congressional Districts (also known as CDs) in an amount equal to no less than 30% of the amount of NAHTF funds available in a given Program Year. The remaining 10% of funds available will be allocated statewide. Generally, applications that meet all threshold requirements and rank highest within their Congressional District shall receive either a Notice of Award or a Notice of Conditional Award, subject to the amount of funds available for that District. DED reserves the right to fund or not fund applications based on the status of other federal and state funding sources involved in the project and conditional reservations of funds, regardless of ranking. DED will determine the most appropriate funding source and amount for the proposed project or program.

#### **4.4 ALLOCATION AWARD PROCESS**

DED may provide a Notice of Conditional Award with the condition that the applicant transfer the project to another DED determined eligible applicant. The newly identified eligible recipient must complete all requirements for the identified funding source as a Condition of Award. Applications recommended for approval through this process will be presented to the Housing and Community Development (HCD) Division Director for consideration of recommending an award to the Director of the Department of Economic Development. The HCD Director has the authority to ask for reconsideration of the award recommendation. The Director of the Department of Economic Development has the final decision making authority. The HCD Director may make awards for non-profit operating assistance and predevelopment on the Department Director's behalf. All actions will be in compliance with the submission and selection criteria as noted within the NAHTF Application Guidelines.

## **5. FUNDING CATEGORIES**

The 2016 Trust Fund cycles include the following categories for funding based on the total NAHTF allocation. DED will begin to review all applications after they are received on the specified due date as defined within the Application Guidelines. The Application Guidelines for each project category will include a description of threshold requirements and scoring criteria. The Application Guidelines will be made available on the DED website in January, 2016.

### **5.1 HOMEBUYER**

NAHTF resources will be available to eligible applicants for activities to assist homebuyers.

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. Homebuyer projects funded will be for a recommended 24-month period, with New Construction and Purchase, Rehab, Resale projects having a recommended 36-month period. Applications may include any of the following activities:

1. Down Payment and Closing Cost Assistance, for existing or new single family residential units;
2. Purchase, Rehabilitation, and Resale (PRR), including acquisition, infrastructure, development subsidy, and/or down payment assistance;
3. New Construction of single family residential units, including land acquisition, infrastructure, development subsidy, and/or down payment assistance;
4. Acquisition/Rehabilitation, including assisting the homebuyer to acquire the home and rehabilitation of the home to meet standards within 6 months of occupancy;
5. Short-term Purchase, Rehabilitation, Lease, and Resale (PRLR), including acquisition, and/or infrastructure, development subsidy; and
6. Demolition, as a support activity.

### **5.2 OWNER OCCUPIED REHABILITATION**

NAHTF resources will be available to eligible applicants to administer owner-occupied rehabilitation (OOR) programs. Demolition is also eligible as a support activity within the OOR program.

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. OOR projects funded will be for a recommended 24-month period.

### **5.3 RENTAL HOUSING**

NAHTF resources will be available for newly-constructed affordable rental housing; acquisition and/or rehabilitation of existing rental housing; long-term lease-purchase programs that lead to homeownership; and demolition as a support activity.

Rental projects, including new construction, acquisition and/or rehabilitation are eligible to apply in designated NAHTF cycles. (Such projects exclude those using Low-Income Housing Tax Credits (LIHTC)).

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. Rental projects funded will be for a 36-month period.

### **5.4 NON-PROFIT OPERATING ASSISTANCE**

NAHTF resources will be available to eligible applicants for non-profit operating assistance. The primary purpose of these funds is to increase and maintain the capacity of an organization to produce affordable housing.

NAHTF resources are available to local, regional, and reservation-based nonprofit 501(c)(3) or 501(c)(4). NOTE: Ongoing rental project operating expenses are not eligible for these funds.

### **5.5 OTHER ELIGIBLE ACTIVITIES**

NAHTF funds are available to eligible entities for other eligible activities as defined in the Nebraska Affordable Housing Act [Sections 58-701 to 58-711].

## 6. SELECTION CRITERIA

The State's objective for using NAHTF resources is to invest funds in quality projects and programs for quality communities so that local governments and nonprofit organizations can leverage private financing to provide permanent, energy efficient, affordable housing for low income persons throughout the state. The selection criterion below furthers the State's housing objective.

The application deadlines and review processes will be consistent for project-specific activities. This includes: specific selection criteria for homebuyer, owner occupied rehabilitation and other eligible activities; specific selection criteria for rental housing; and specific selection criteria for non-profit operating assistance activities.

The Application Guidelines will contain separate chapters specific to housing categories including: Homebuyer; Owner-Occupied Rehabilitation; Rental Housing; and Non-profit Operating Assistance. Applications for *other eligible activities* should to be designed within the framework of the above application chapters.

Project-specific applications for the Homebuyer, Owner-Occupied Rehabilitation, and other activities will be scored in a single pool of applications within the Annual Cycle.

Rental Housing applications will be scored in a separate pool of applications during the Annual Cycle.

Non-profit Operating Assistance applications will be scored in a separate pool of applications during the Annual Cycle.

Each application, regardless of activity pool, will be scored according to a scoring matrix. Each matrix will contain a *Demonstrates Desired Results* section and a *Probability of Producing Desired Results* section. The *Demonstrates Desired Results* section will include questions that relate to: the need for the project; and the expected impact resulting from the project. The *Probability of Producing Desired Results* section will include questions that relate to: the feasibility of the project; the capacity of the applicant and administrator to complete a quality project in a timely manner; and the development of effective Program Guidelines/Project Design for the project.

Questions may include, but would not be limited to: a community's need for the project; whether the project is located within a region with community development and employment opportunities; whether the project has additional financial commitments and significant collaboration; and whether project costs are appropriate. Specific questions will be detailed within the 2016 Annual Cycle Application Guidelines.

### 6.1 SELECTION SUMMARY

Below is a summary of the proposed general scoring sections within the project-specific housing Chapters (Homebuyer, Owner Occupied Rehab, and Rental) and the Non-profit Operating Assistance. Specific details regarding the Annual Cycle application process, including the complete

set of questions and requirements for each application, will be made available to applicants in January 2016 within the 2016 NAHP Housing Application Guidelines.

The total points available for any given application will be 1,000 points for the project-specific applications for the Homebuyer Program, Owner-Occupied Rehabilitation, and Rental projects. Applicants are required to meet all the threshold requirements in order to be scored and considered for an award recommendation.

## 6.2 HOMEBUYER, OOR, AND OTHER ELIGIBLE ACTIVITIES REVIEW CRITERIA SUMMARY

<b>Selection Criteria Matrix for the Homebuyer, OOR, and Other Eligible Activities</b>			
<b>Characteristic</b>	<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
<b>I. Demonstrates Desired Results</b>			
	a) Need	300	
	b) Impact	200	
<b>Demonstrates Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>II. Probability of Producing Desired Results</b>			
	a) Leverage	125	
	b) Collaboration	75	
	c) Credit	50	
	d) Readiness/Capacity	250	
<b>Probability of Producing Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>Demonstrates Desired Results Total + Probability of Producing Desired Results Total</b>	<b>Total Possible Points</b>	<b>1,000</b>	

For each of the two project-specific housing categories related to the Homebuyer Program and Owner-Occupied Rehabilitation, specific application questions will be developed within the 2016 Application Guidelines. In general, these chapters will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding: Collaboration; Leverage; Credit; and Readiness/Capacity.

### 6.3 RENTAL REVIEW CRITERIA SUMMARY

<b>Selection Criteria Matrix for Rental</b>			
<b>Characteristic</b>	<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
<b>I. Demonstrates Desired Results</b>			
	a) Need	200	
	b) Impact	200	
	c) Leverage	100	
<b>Demonstrates Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>II. Probability of Producing Desired Results</b>			
	a) Collaboration	100	
	b) Credit	50	
	c) Readiness/Capacity	100	
	d) Project Design/	250	
<b>Probability of Producing Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>Demonstrates Desired Results Total + Probability of Producing Desired Results Total</b>	<b>Total Possible Points</b>	<b>1,000</b>	

For the project-specific housing category related to Rental, specific application questions will be developed within the 2016 Application Guidelines. In general, these chapters will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding: Collaboration; Leverage; Credit; and Project Design/ Capacity.

The total points available for any given application will be 1,000 points for the project-specific applications for the Rental projects. Applicants are required to meet all the threshold requirements, in order to be scored and considered for an award recommendation.

## 6.4 NON-PROFIT OPERATING ASSISTANCE REVIEW CRITERIA SUMMARY

The total points available for any given application will be 1,000 points for the Non-Profit Operating Assistance applications. Applicants are required to meet all the threshold requirements, in order to be scored and considered for an award recommendation.

<b>Selection Criteria Matrix for Non-Profit Operating Assistance</b>			
<b>Characteristic</b>	<b>Criteria</b>	<b>Points Possible</b>	<b>Points Awarded</b>
<b>I. Demonstrates Desired Results</b>			
	a) Need	200	
	b) Impact	300	
<b>Demonstrates Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>II. Probability of Producing Desired Results</b>			
	a) Collaboration	200	
	b) Capacity	150	
	c) Financial Capacity	150	
<b>Probability of Producing Desired Results Total</b>	<b>Possible Points</b>	<b>500</b>	
<b>Demonstrates Desired Results Total + Probability of Producing Desired Results Total</b>	<b>Total Possible Points</b>	<b>1,000</b>	

Non-profit Operating Assistance applications will be scored in a separate pool of applications during the Annual Cycle application processes.

Application Guidelines for the Non-profit Operating Assistance Chapter will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding Collaboration and Financial Capacity.

The final application questions developed will be made available within the 2016 NAHP Application Guidelines.

## **7. ANNUAL CYCLE APPLICATION PROCESS SUMMARY**

Application Guidelines will be posted on the Department's website to aid in the application process. Application Workshops will also be provided which include an informal presentation and discussion about the application process with interested applicants, application preparers, and DED staff. Attendance is optional, but highly encouraged. Attending a workshop does not substitute for working closely with a Housing Program Representative throughout the application process.

During the Annual Cycle, applicants will also be required to submit a Pre-Application in order to show their interest in applying for funds. Applicants may also submit portions of the full application to their Program Representative for additional feedback.

**Full Applications must be postmarked by May 13, 2016, or delivered to the Nebraska State Office Bldg, 4<sup>th</sup> Floor with signed receipt from DED staff by 5:00 PM Central Time.**

**Late applications will not be accepted.**

Once applications are reviewed and scored by the scoring team, the Department will determine which applicants will be invited to Contract Review. If agreements are reached, and contract review items are submitted to the Department, Award Letters will be sent out and contracts will be signed. Following this process, the applicants will submit documentation, as directed in the Contract, to obtain a Release of Funds (ROF) letter as defined within their contracts.

## **8. NAHTF PROGRAM INCOME**

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

In general, the Department continues to provide flexibility to use program income, particularly for projects that are funded through the NAHTF program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that NAHTF program income (i.e. reuse funds) may be used for the same housing activities that were awarded within the original project in which program income was generated, or for other housing related activities. These other housing related activities include any eligible activities as defined by the Nebraska Affordable Housing Act. Any activities proposed by the grantee shall be consistent with the grantee's approved NAHTF Program Income Reuse Plan.

## **9. NEBRASKA COMMISSION ON HOUSING AND HOMELESSNESS**

The Nebraska Commission on Housing and Homelessness (NCHH) was established by Executive Order in 1998. This commission consolidates the work of the Nebraska Affordable Housing Commission, the Nebraska Interagency Council on the Homeless, and the Affordable Housing Trust Advisory Committee, and recognizes the strong link among housing, homelessness, and near homeless issues.

The Commission's function is to make recommendations to DED and the Nebraska Department of Health and Human Services (DHHS) on the operation of the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF) respectively; serve as an advisory body on housing and homelessness; assist with education, advocacy, coordination and cooperation; and integrate recommendations from Nebraska's Consolidated Plan and Annual Action Plan (for CDBG, HOME, ESG, and HOPWA) with other statewide strategic planning initiatives that involve affordable housing, homelessness, and other housing issues.

The Department will work with the NCHH during the development of the Qualified Allocation Plan. This includes working with the Policy and Issues Committee, a part of NCHH, with draft information related to funding allocations and selection criteria.

## **10. AMENDMENTS TO THE QUALIFIED ACTION PLAN**

The Department of Economic Development reserves the right to make changes to the Nebraska Affordable Housing Act QAP at the Department's discretion.

If the Department determines that it is necessary to amend the QAP, the proposed amendment will be submitted to the Director of the Department of Economic Development for review and approval. If approved by the Director, the proposed amendment will be made available on the Department's website at [www.neded.org](http://www.neded.org) for a fourteen (14) day public review and comment period. At the end of the fourteen (14) days, the Department will consider any public input provided, and then the Director will issue final approval on the amendment. The QAP, including any amendments, will be made available on the Department's website at: [www.neded.org](http://www.neded.org).

## **11. HOUSING CONTACT INFORMATION:**

Nebraska Department of Economic Development  
301 Centennial Mall South  
P.O. Box 94666  
Lincoln, NE 68509-4666  
(800) 426-6505  
[www.neded.org](http://www.neded.org)

**Proposed  
Nebraska Affordable Housing Act  
Qualified Allocation Plan (QAP)  
2016**

**12. EXHIBITS**

***Exhibit 12.1* SCORING MATRIX AND APPLICATION QUESTIONS**

REFER TO THE FULL 2016 APPLICATION GUIDELINES  
THESE CAN BE FOUND ON THE NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPEMNT WEBSITE:

## Exhibit 12.2 ANNUAL CYCLE TIMELINE

Date	Action	Location	Responsible Parties
1/27/2016	Application Guidelines posted	<a href="http://www.neded.org">www.neded.org</a>	DED
2/02/2016	Application Workshops & Website Streaming	NET Statewide Locations: Lincoln NET Boardroom 1800 North 33 <sup>rd</sup> Street, Lincoln, NE  North Platte Site: 200 South Silber building 2, North Platte, NE  Norfolk Site: 1212 West Benjamin, Norfolk, NE  1:00 p.m. – 3:00 p.m. (CST)	DED, Applicant, and Application Preparer
2/03/2016	Application Workshops & Website Streaming	NET Statewide Locations: Lincoln NET Boardroom 1800 North 33 <sup>rd</sup> Street, Lincoln, NE  Grand Island Public Library 211 North Washington, Grand Island, NE  Columbus Public Library 1212 West Benjamin, Norfolk, NE  Scottsbluff Site: (9 a.m. – 11 a.m.) 505A Broadway, Suite 500, Scottsbluff, NE  10:00 a.m. – 12:00 p.m. (CST)	DED, Applicant, and Application Preparer
4/1/2016	Scanned, Signed Pre-Application for Annual Cycle Apps received BY DIGITAL UPLOAD ONLY, by 5:00PM CDT.	Upload to: <a href="https://neded.sharefile.com/r-r8670cbdbad74aa8b">https://neded.sharefile.com/r-r8670cbdbad74aa8b</a> and email a copy to the Application Coordinator at: ded.housing@nebraska.gov	Applicant
5/13/2016	<b>Original, Signed Hardcopy of Full Application must be postmarked by, or delivered to the Nebraska State Office Bldg, 4<sup>th</sup> Floor, with signed receipt from DED staff by 5:00 PM CDT.</b>  <b>Scanned Copy of Full Application must also be uploaded by 5:00 PM CDT.</b>	Lincoln DED Office:  State Office Building Dept. of Economic Development 4 <sup>th</sup> Floor 301 Centennial Mall South Lincoln, NE  Upload to: <a href="https://neded.sharefile.com/r-r8670cbdbad74aa8b">https://neded.sharefile.com/r-r8670cbdbad74aa8b</a>	Applicant
TBD	Contract Review	TBD	DED, Applicant, & Application Preparer
TBD	Award Letters distributed		DED

## **Exhibit 12.3 Public Comments**

The Proposed 2016 QAP was released for a 30-day public comment period on December 17, 2015. A public hearing on the Proposed 2016 QAP was held on January 6, 2016 in Lincoln, Nebraska. All comments received by the Department were taken into consideration during the completion of the Final 2016 QAP.

### **See Public Comments below:**

Amy Thelander

SWNCBC Administrator

1. I am pleased to see NDED is providing a Non-Profit Set Aside for operating. I believe operating assistance for Non-Profits that are making an impact in the rural housing needs, continues to be a vital necessity. SWNCBC was created to serve 5 counties in southwest Nebraska that had no housing assistance. Without SWNCBC serving these communities there is no other Non-Profit to provide Purchase, Rehab, Resale, Homebuyer's Education, Down Payment/Closing Costs Assistance or Regional Owner Occupied Rehabilitation to the low-to-moderate income families in the counties we serve. These operating funds are extremely vital for Non-Profits to continue improving the Economic Development of rural communities.

2. Since the development of a rental project is one of SWNCBC's 1-3 year goals I am pleased to see NDED is still providing funding for smaller rental developments as there is a significant need for rentals in the smaller communities, however the cost of new construction makes it difficult to cash flow rental projects of 4-6 units. These rental development funds will assist communities that need smaller rental developments since it seems HOME funds are being used primarily for larger and/ or tax credit rental projects.

3. I am happy that a large percentage of funding will be used for homebuyer and OOR projects since there is a great need for preservation of the housing stock in the communities that SWNCBC serves. The largest documented need in the southwest area that SWNCBC serves is for homebuyer/homeowner funds to preserve the housing stock. Since new construction costs are so high the NAHP programs are affordable opportunities for communities to preserve their housing stock. This can be achieved through careful fiscal use of the NAHP programs as well as utilizing other programs through USDA, NIFA, MCAP and FHLBank Topeka to assist as many LMI families/individuals as possible. Since housing is a big part of Economic Development, these funds will make a significant impact on rural communities. While I think it is positive that NDED sees the need to fund homebuyer and homeowner projects I would like to see this amount increased by making some of the HOME funds eligible for homebuyer activities.

4. On page 3 of the QAP it states, "Promote additional affordable rental housing and preservation of affordable rental housing in selected markets". Who or where are the selected markets? Does NDED declare an area or community a select market or does the grantee? What input or criteria needs to be used to declare a community or area as a "select market"?

5. On page 11 of the QAP Section 4.2 #8 states one of the eligible activities as, "Projects providing housing in areas determined by the Department of Economic Development to be of critical importance for the continued economic development and economic well-being of the

community and where, as determined by the department, a shortage of affordable housing exists.” Does NDED have a list of these areas that they have determined to be of critical importance for continued economic development and economic well-being of the community? Does NDED also have a list of areas that are determined to have a shortage of affordable housing? Is this list available to grantees? How was the list determined?

6. On page 23 under the Impact section the QAP states: “Is the project located solely in a designated DED Leadership Community, or a CDBG CR or CIS community? Is the project located solely in a designated as an Economic Development Certified Community?” What will be the point value on this particular question? If it will be worth a substantial amount of points it would not be fair for those communities that are not a designated DED Leadership Community, CDBG CR, CIS Community or an Economic Development Certified Community as there is no time for a community to obtain this status before grant applications are due. This would create an unfair criteria that will eliminate communities that do not have these designations but may have substantial housing needs.

7. SWNCBC would like to see NDED allow HOME Program Income as match for the NAHP funds as larger communities that receive HUD funds are currently allowed to use those funds as match.

8. SWNCBC is happy to see that all applications can be submitted electronically and only one hard copy mailed in. We feel this is a very positive change and appreciate that NDED will continue this.

Greg Cramer

Mayor of Wood River

Wood River is excited to get started on the OOR housing program this year and would like to thank you again for your support. Programs like this are needed in our small rural communities to help offset the cost to families who are in need of help repairing their homes.

I'm sure you are aware of how the homes that were once occupied by the working generation 20-30 years ago slowly evolve into rentals or affordable housing for the lower income working families of today. This why I am sending you this letter supporting increasing the funding of housing programs in out-state Nebraska. By increasing the funding we can help more families and improve more Communities that will make Nebraska a better place to live and raise a family.

Sara Arnett, Compliance Officer

Heritage Bank

Please accept this comment as a vote in favor of supporting increased funding for housing programs in out-state Nebraska. Having worked on the Wood River, NE Housing Task Force for several years now, I can offer testimony to the importance of DED funding for OOR, first-time homebuyer and other affordable housing programs throughout the state. This is true with all thirteen of the rural communities Heritage Bank operates in. We need DED's help!

Please do not discount the proportion of funds made available to out-state NE communities just because of the population concentration in Omaha and Lincoln. Unlike those metropolitan areas, out-state communities are fighting to survive. We battle a number of factors when trying to recruit young people back to rural NE. The difference of one renovated or newly constructed house truly does make or break that equation here. People have higher expectations for quality of life today, and so the bar has been raised on our communities to provide a higher standard of housing in order to attract and retain employees. Small business and agriculture drive the economy of NE, and without well educated young people to work in these sectors, the entire state will suffer.

Wood River was selected for DED's OOR grant during 2015 (thank you again!). With those funds, we will be able to renovate roughly 9 homes in our community. In addition, we'll be able to demolish a couple of eye-sore properties to make way for much-needed affordable housing to be constructed. We believe that revitalization will have a domino effect in the neighborhoods. This is HUGE for our community, and for all those who receive DED funding!

Not only will the OOR funds be significant for those homeowners who are selected for the grant. DED's vote of confidence in Wood River is also proving to be a momentum builder for the entire community. Three new businesses have or will be locating in our central NE community. That translates into local jobs without the need to drive 20 miles to work. For families with one vehicle, that's a deal breaker! The new businesses will also generate local sales tax to support community development projects such as the new waterpark that Wood River voters approved last August. Quality housing is a vital part of the economic vitality for out-state NE so please allocate our fair share of DED funding to those of us west of Lincoln. We need DED's help, both financially and through your expertise, just as much as the metropolitan areas, if not more, because we don't have large development companies with deep pockets out here leading the charge.

I'm excited about the future of Nebraska, including the rural communities. We offer an unparalleled quality of life for young people to return to and raise a family in. Let's keep investing in that value system through DED's funding of vital housing programs in out-state Nebraska!

Jim Rieker

Executive Vice President of Multifamily Acquisitions

1. Section 3.4-With approximately \$450,000 of HOME funds already going to CHDO's, I think this section 3.4 needs to be re-addressed. While the individual grants are smaller in scope, when you pull out another \$325,000 for non-profit operations, that is a big hit for affordable housing production. I think, while probably a long term process, we need to look at what good we're doing to fund non-profits through this set aside. Some are probably living from grant to grant with little to no production. The discussion has been had for many years about having stronger non-profits absorb smaller, non-sustaining groups. I think by eliminating this section and relying on the HOME funds, it would force the weaker non-profits to think about consolidation. I understand it is a tough stance to take but one that needs to be addressed for the viability of the NAHTF. Furthermore, I do not believe the original intent of the NAHTF was meant to provide operating support.

2. Section 3.6 – While I agree that single family homeownership is important, the tables have turned to where we need to focus on the multifamily side as much, if not more. The original discussion of the NAHTF was to do a 50/50 mix of single family and multifamily. We're now at 62% for single family. With few homebuyers and more renters than ever, we need to bring this back to the 50/50 split from the original program. This would also mean leaving the approximate \$2,250,000 HOME funds going towards multifamily. Sometimes, I feel like when single family ownership is down, we throw more money at it in hopes of forcing more homeownership when current statistics do not support that trend. With other programs from the Federal Home Loan Bank and NIFA, there should be enough support for single family production and preservation. Therefore, I'm asking that this set-aside be reduced to no more than 50% of the total NAHTF with the balance being put into the multifamily set aside and leaving the \$2,250,000 of HOME funds also for multi-family.

3. Section 4.2 (9)-I'm okay with this section but I think some priority should be placed on utilizing CDBG funds first before ever dipping into the NAHTF for any infrastructure.

4. Section 4.2 (14)-I think this is a good set-aside but needs to be expanded on. I know the Metro Omaha Builders Association has an entity formed called the Builders Foundation. This entity's sole purpose is to provide scholarships to students that are willing to go into the construction trades and agree to mentor under builders. I assume Lincoln and the Nebraska Home Builders has something similar. I'm just not aware of their programs. In light of the fact that we're so short on tradesmen today, I think we need to make this a priority and possibly take part of the Single-family and Multi-family set aside and put it towards this sector. I would be okay with taking the proceeds from Section 3.4 and moving it towards this. I'm sure someone from the Builder's Foundation would agree to come and speak on the benefits they provide and the funding needs they have each year.

Judy Petersen, Executive Director

Central Nebraska Economic Development District and Central Nebraska Housing and Economic Developers

- QAP Page 3, first bullet, as follows: Promote additional affordable rental housing and preservation of affordable rental housing in selected markets – Our question is that we would like a clarification of what DED is defining as “selected markets.”
- QAP Page 11, # 8, as follows: Projects providing housing in areas determined by the Department of Economic Development to be of critical importance for the continued economic development and economic well-being of the community and where, as determined by the department, a shortage of affordable housing exists – Our question is two-fold: 1) has the Department of Economic Development determined what those areas are? Are they communities, sectors, etc? And 2) has DED identified where those shortages of affordable housing exist, and where are the shortage areas located? This language drives a community’s decision whether or not to apply for funds, as well as the direction of the project and the language used in the applications.
- QAP Page 12, #12, as follows: Housing education programs developed in conjunction with affordable housing projects. The education programs must be directed toward...(lists a, b and c) – Our question is whether or not tenant education for rental projects is required as it had been in the past. The QAP listed homebuyer and post purchase, but it didn’t specifically refer to rentals.
- QAP Page 13, Section 5.1 and 5.2 with respect to project time periods – Our comment is that if there are different time periods (i.e., new construction 36 month, but other homebuyer 24 month, new rental construction 36 month, but rental rehabilitation 24 month), then those should be spelled out so that applicants know the expectations when developing the project and the implementation plan. Also, Section 5.2 OOR states a 36 month time period, but at the meeting it was mentioned this would be only a 24 month time period, so would recommend the time period be corrected if the 36 month is incorrect.
- QAP Page 14, Section 5.4, last sentence which states: “The primary purpose of these funds is to increase and maintain the capacity of an organization to produce affordable housing.” – Our comment would be to change the word “produce” to “deliver.”
- QAP Page 23, IMPACT Section – We appreciate the flexibility that these questions will provide to communities and regions. We are still a little concerned that it will be perceived that communities that are designated as Certified Economic Development Communities, Leadership Communities, CR and CIS communities may have an advantage over others that are not; however, we do appreciate the verbal comments that if a community has accomplished some of the same activities as the “designated” communities, that those accomplishments that are identified in the application would be taken into consideration, just as the “designated” communities accomplishments, and provide them with a more equal chance of competing on applications.
- QAP Pages 24 and 25, Section titled “Readiness/Capacity”, both Applicant and Administrator, regarding the listing of Grantee-requested contract extensions on any housing projects for years 2010, 11, 12, 13, 14 or 15, including the reason the extension was requested. – We appreciate your comments that in the 2016 application, the listing of grantee-requested contract extensions and their reasons may not be viewed as a negative as it has been in the past (points

were deducted in previous grant applications for these occurrences). Most grant administrators work very hard not to request a grant deadline extension, unless there are extenuating circumstances, and by the State approving those requested extensions the State is showing support for the extension that was requested. Having a grant extension approved by the State for those extenuating circumstances should not be viewed as a negative for future grant application scoring.

Additional comments:

- We have not been working with any applicants on rental projects in the past couple of years, due to the regulations that limited the ability to cash flow some projects. The changes in the last couple of years (rent limits up to HUD 65% limits) and the recent household income increase to 120% AMI, are very much appreciated, to help ensure that the needed rental projects are able to cash flow.
- Rental Unit Affordability Period change to 10 years from 20 years – This change is most appreciated for TRUST-funded projects – thank you.
- Housing Closeout Letters – We realize that the DED housing team is not fully staffed and requirements are constantly changing. My comment is that submitting the close out letters on a timely basis has a positive impact on the grant-funded projects, but a long delay in receiving the close out letters could have a negative impact on some projects. As an example of a negative impact, we learned of an instance where a close-out of a rental housing grant project took around 2-3 years after the grant was closed, which negatively impacted the affordability of that project. In that instance, the grant was closed out and done around 2-3 years before the closeout letter was submitted, and the affordability period did not start until the closeout letter was sent, requiring this project (it was a HOME-funded grant) to have an almost 22 to 23-year affordability period.

John W. Madsen

Wm. Krotter Co.

1) Single-family homes are the most sought after housing stock in Rural Nebraska, and in turn, Rural Nebraska is vitally important to the success of the entire state. Without quality single-family homes, communities cannot attract or retain young families, which leads to the decline of Rural Nebraska, loss of jobs in Rural Nebraska and eventually “dying” towns. The need for new construction of affordable, energy efficient single-family homes is at a critical point. The number of older homes that are deteriorating is growing at a much faster rate than the number of new homes being constructed, which is rapidly diminishing the housing stock in our communities and thus, declining populations in those towns.

2) Housing is a complex issue and rural communities cannot address this housing need single-handedly – they need the assistance of housing experts to guide them and keep the wheels in motion. That’s where the non-profit housing organizations come in. I realize that the State does not have adequate staff to work with all communities to assist them with their housing needs and projects. The operating funds pool provided through the NAHP program ensures that those non-profit organizations can continue to enhance housing, on behalf of the State of Nebraska, thus enhancing economic opportunities in communities throughout the state.

3) Down Payment Assistance is a tremendously successful program that assists families in owning a home of their own and putting down roots in a community. The Village of Stuart, along with Central Nebraska Economic Development, Inc. and other programs in our region, have used down payment assistance funds very successfully over the years. We have incorporated minor repair funds into the program to ensure that the buyers will be purchasing a quality home to live in, raise their families and become contributing citizens to our community.

4) Owner-occupied rehabilitation of existing homes helps our communities save older homes that may have become dilapidated or are in need of demolition in the near future. Oftentimes, these older homes are inhabited by lower income households or senior citizens who need our assistance in protecting the community’s housing stock for future residents. Frequently, there is a “domino effect” when one or two homes are improved, neighboring homeowners are incentivized to improve their property as well, which leads to improved community housing values over time. You are welcome to come to Stuart at any time to see how successful these programs have been.

With respect to the QAP, I would like to receive clarification regarding leverage. On page 24 of the QAP, under Leverage, it states that “Leveraged funds excludes NAHP Funds and NAHP Program Income.” My question is whether those Nebraska communities that are currently or plan to become “entitlement” communities that receive CDBG, HOME, TRUST or other funds for “like” housing projects are able to use those funds allotted outside of the NAHP funds as leverage through the NAHP competitive process? It is my opinion that if that practice is allowed for those communities, then so too should the NAHP funds and NAHP program income funds be allowed as “Leverage” for all other applicants which would provide a more level “playing field” during competitive grant cycles.

Ute Wojtalewicz, Executive Director

St. Paul Housing Authority

## 2.1 Allocation of NAHTF Funds Summary:

Can you please provide clarification on the \$675,488 Match for HOME resources. If this goes for tax credit projects only then the \$800,000 rental budget allocated to each district is further reduced. So not much chance for other new construction or rehabilitation.

We would recommend that the Rental Portion is increased to allow for more rehabilitation of existing units. While we acknowledge and support Homebuyer/OOR we should also be aware that the existing low income housing stock is in need of major repair. There are many properties that do not have sufficient reserves or public housing capital funds to maintain the apartments. Homebuyer and OOR funding is disproportionate for the 3rd District. Furthermore, why not allocate the 30 percent to each congressional district and let the application process decide which program is most beneficial to communities.

Page 3. Introduction: We recommend that you delete "selected markets" from the plan. It is ambiguous.

Can you please provide information if the household income requirement has been increased from 80% to 120% for trust fund projects. We are in full support of this increase.

Another issue that has come up recently is the requirement that all contractors have to join sam.gov. when federal funds are involved. It discourages small business owners in rural communities from submitting bids. We recommend that your department work with the federal government to eliminate this requirement.

The overall impression is that tax credit projects and Homeowner/ OOR are well supported, which leaves too little for rental rehabilitation.

Linda Addison, Administrative Assistant

Housing Development Corporation

Thank you for the opportunity to comment on the 2016 QAP. The Housing Development Corporation supports the Plan as written for 2016.

We are hopeful that NDED continues to support agencies that provide affordable housing in the state of Nebraska. I appreciate the time and effort that NDED spent this year obtaining input from agencies, individuals and the Policy and Issues Committee prior to completing the plan.

We are looking forward to the training and information that will be provided at the application workshops.

Paula Rhian, Development Director

Excel Development Group

Section 2.1 In order to truly respond to regional needs for affordable, decent, safe and appropriate housing we recommend not breaking out rental and homebuyer activities. Applicants will apply for what their community needs. Allowing the applications to compete between the categories will result in a more needs-based distribution of funds.

Section 3.6 If all annual cycle rental and homebuyer applications are not allowed to be in one combined pool we recommend that after the top homebuyer application is funded in each region that the remainder of the funds be distributed based on their score and that the rental applications be included in this distribution.

South Central Economic Development District, Inc.

As you may know, I joined the South Central Economic Development District a year ago as the housing consultant. Funded in part by DED's Trust Fund Technical Assistance, this position has been valuable in the assistance SCEDD has provided to date in our rural communities. SCEDD and our board are appreciative of DED's investment of funds. The TFTA funds have been instrumental in assisting communities across a spectrum of issues and in the initial steps of formulating plans to meet their needs. Thank you for the operating funds pool and for that investment into entities such as SCEDD. It is valuable and necessary to maintain this pool.

As an extension of the work done this past year, I have come to understand the complexity of housing within our district and rural Nebraska. There is no "one size fits" all approach. What is right for one community may not be relevant for another. That is why programs such as Down Payment Assistance, Owner Occupied Rehabilitation, etc., are critical to rural Nebraska communities. It is crucial that these programs be first and foremost in the Department's consideration. These programs provide flexibility to a community to create and design programs that best suit their needs. Are one or two new housing units or rehabbed homes in Lincoln or Omaha a big deal? Not really. But in small communities like Wood River, Dannebrog or Loomis, it's a huge deal! The ripples of impact can be felt across the community. And with the accomplishment, comes additional enthusiasm. Enthusiasm for additional improvements in the neighborhood and community can propel a community from one of "need based" to one of "pride based" accomplishments.

Many years ago, I worked in a very similar position as I do today. I wrote and submitted grant applications to DED for small communities from Central Nebraska to North Central Nebraska. It's gratifying to return to those communities today and see firsthand homes that were rehabilitated in an OOR program - homes that are still being lived in. While the original owner(s) may no longer reside there, the home was made viable through the use of OOR funds for another generation's occupancy. I have witnessed the importance of the program over a period of 20+ years.

Many of our rural, small communities are afflicted with abandoned, neglected homes. The presence of these structures makes our rural communities "fodder" for undesirable activities. Therefore, an investment by DED of NAHP funds into support activities like demolition is crucial to assisting communities in addressing these properties. Moving forward, it would be my hope that DED would consider increasing the limits of demolition activities as related to housing programs. Addressing these nuisance properties, can be cost prohibitive for our small communities. Clearing these homes provides a community with opportunities for growth. In-fill housing is a great example and can be very cost effective long term housing solution for our towns. Furthermore, demolition funds can contribute to free lot programs, which become an opportunity that every community can make available to potential residents.

Rita Horse

## High Plains CDC

- ☐ High Plains is a non-profit organization servicing the northwest corner of Nebraska. We are located in a very sparse and densely populated area and High Plains is the only non-profit organization in our service area providing Purchase/Rehab/Resale, housing counseling, homebuyer education, closing cost assistance to families in the 80-100% median income.
- ☐ In Chadron alone, 52% of the housing stock is in rentals, and there is a high demand for homeownership, particularly for the 80%-120% median income families. In the past, we have received down payment/closing cost assistance and it has been well received in our communities. Federal Home Loan Bank of Topeka has funds available each year for agencies to access, but these funds are gone within a couple months and then there is nothing available for another year. We know that in different areas of the State, there is a higher demand for rentals than in our area, but we definitely don't want to see the homeownership funds decreased.
- ☐ As far as HOME Funds, High Plains was a CHDO for a long period of time and gave up that status a few years ago as it was hard to receive funding. The funding allocation seems to single out only organizations wishing to do rentals or CHDO eligible projects. Is it possible to have the HOME funds be equally split between LIHTC projects for development of rental housing and homeownership programs? If so, would it be possible for all non-profits to be able to apply, not just CHDO's?
- ☐ In the communities that we serve, the majority of the homes are older and it is not feasible to demolish them and replace with new construction. We receive numerous calls a year asking about funds available for owner/occupied rehab and we do not want to see those funds decreased also.
- ☐ High Plains has been without operating funds this year; the first time since inception. Our agency depends on grant funding to survive, not only on a state level but also federal. We are glad to see that there is an allocation just for non-profit operating assistance. Several years ago, NIFA had funds that non-profits could access for operating, but that is no longer available.
- ☐ On page 23, under Impact, it talks about projects located in a community that is designated as a DED Leadership Community, CDBG CR, CIS or an Economic Development Certified Community. Of the communities in our service area, only two that we are aware of are Economic Development Certified communities. It seems to us that you are singling out only the communities that have the desire or need to be able to become certified. Will we be able to provide assistance to these communities even if they are not our primary community?
- ☐ On page 24, under Leverage, will this be further explained? Last year we were required to show "cash" match, which from a small community, it is very hard to come up with cash to show as match. Our local businesses are hit hard with anyone and everyone looking for donations, contributions, and they cannot provide assistance to everyone asking.
- ☐ Is there any way to limit the amount of funding that can be applied for so that more organizations may be able to receive funds?

Sara Tichota, Executive Director

Nebraska Housing Developers Association

Nebraska Housing Developers Association (NHDA) sincerely appreciates the opportunity to provide comments regarding the 2016 NAHTF QAP. We commend the Department for involving and considering feedback from the Policy and Issues Committee of the Nebraska Commission on Housing and Homelessness during the formation of the QAP. The members of this committee represent individuals, who on a daily basis, work in the affordable housing industry and strive to increase the availability of affordable housing across Nebraska. We recommend that the Department continue to work with the committee members and other affordable housing partners when developing future Qualified Allocation Plans or new programs. NHDA appreciates the Department's continued support of non-profit organizations through the availability of the Non-Profit Operating Grants. We would encourage the Department to increase the funds available to qualifying organization in order to ensure the growth or sustainability of non-profits who provide invaluable, affordable housing opportunities to individuals across our great state.

Although not addressed in the QAP, it was noted that in the Annual Action Plan other community development programs allowed an increase in General Administration from 8% to 10%. We would support a similar increase within the Nebraska Affordable Housing Trust Fund programs.

# CITY OF SUPERIOR

Our Name Says It All

The Victorian Capital of Nebraska



January 12, 2016

Nebr. Dept. of Economic Development  
PO Box 94666  
Lincoln, NE 68509-4666

ATTENTION Shannon Fortney and Housing Team

Dear Shannon and Team Members:

I wish to offer comment regarding the 2016 Qualified Allocation Plan. First, let me applaud you and the team for your efforts in making every NAHP dollar count and attempting to serve the needs of so many. There are numerous issues around the state and not every issue can be addressed by government funds, I know and understand that you are working diligently to confront the challenges head on.

I am the planning director for the City of Superior, Nebraska. We are entering our fifth year of nuisance abatement. Ten years ago, we had approximately 90 abandoned, dilapidated homes. The amount of residential blight was so incredibly depressing that initially, even I didn't want to relocate my family here when I accepted this job.

But instead of waiting for "fate to intervene", Superior took a different approach. Today after four years of progressive nuisance abatement efforts, we now have approximately 40 abandoned homes remaining to be addressed. While this number may still be seemingly insurmountable, we are encouraged. Our efforts are setting the stage for future housing development, through in-fill housing opportunities, removal of blight and ongoing new development and redevelopment projects.

The City was the recipient of a CDBG owner-occupied rehabilitation grant in the late '90's and it is our goal to once again apply for those funds to assist our eligible homeowners in the upgrading of homes in order to keep existing housing stock viable for the next generation. **Owner-occupied rehabilitation is a crucial component to keeping our rural communities vibrant and attractive to future residents. Please make this program a top priority as you seek to distribute funds.**

Another comment I wish to make returns me back to our nuisance abatement program. It is a very costly program to operate. To date, we have expended over \$ 60,000.00 in code enforcement and nuisance abatement. **I comment on and ask that demolition funds be made more readily available at higher limits.** Nuisance abatement and/or demolition are key in rural communities to address these dilapidated structures as communities seek to prepare their neighborhoods and communities for housing activities. Assistance at a higher level will enable a rural community to gain ground in an effective manner. Addressing residential blight improves housing options and the quality of life for an entire community; especially those residents with lower incomes.

City of Superior  
135 W. 4th Street, Superior, Nebraska 68978 • 402-879-4713 • Fax 402-879-4907

**Exhibit 12.4 Nebraska U.S. House of Representatives Congressional Districts**

