

2024

# ANNUAL ACTION PLAN

STATE OF NEBRASKA CONSOLIDATED PLAN  
FOR HOUSING AND COMMUNITY  
DEVELOPMENT

**July 1, 2024 - June 30, 2025**

**NEBRASKA**

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

**NEBRASKA**

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES

## Table of Contents

Table of Contents.....	2
Contact Information .....	3
Acronym List .....	4
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b) .....	5
PR-05 Lead & Responsible Agencies - 91.300(b) .....	7
AP-10 Consultation - 91.110, 91.300(b); 91.315(l) .....	8
AP-12 Participation - 91.115, 91.300(c) .....	25
AP-15 Expected Resources – 91.320(c)(1,2).....	27
AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e) .....	36
AP-25 Allocation Priorities – 91.320(d) .....	39
AP-30 Methods of Distribution – 91.320(d)&(k) .....	42
AP-35 Projects – (Optional).....	85
AP-38 Project Summary .....	86
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii) .....	92
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii) .....	92
AP-50 Geographic Distribution – 91.320(f) .....	93
AP-55 Affordable Housing – 24 CFR 91.320(g) .....	94
AP-60 Public Housing - 24 CFR 91.320(j) .....	96
AP-65 Homeless and Other Special Needs Activities – 91.320(h).....	96
AP-70 HOPWA Goals – 91.320(k)(4).....	100
AP-75 Barriers to affordable housing – 91.320(i) .....	101
AP-85 Other Actions – 91.320(j).....	104
AP-90 Program Specific Requirements – 91.320(k)(1,2,3).....	106
Appendices	
Appendix 1.1   Estimated Allocation Table.....	131
Appendix 1.2   Estimated Categorical Distribution Table .....	132
Appendix 1.3   2024 Application Cycles.....	133
Appendix 1.4   Public Notification and Comments TBD... ..	TBD
Appendix 2.1   CDBG Administration Manual, Program Income .....	134
Appendix 2.2   AP-90: CDBG Local Program Income .....	150
Appendix 3.1   TBD.....	152
Appendix 4.1   TBD.....	155

## Contact Information

### **Laura Hart**

*Consolidated Plan Coordinator*  
Community Development Division  
Department of Economic Development  
245 Fallbrook Blvd, Suite 002  
Lincoln, NE 68521  
(308) 202-0177  
Email: [Laura.Hart@nebraska.gov](mailto:Laura.Hart@nebraska.gov)  
<http://www.opportunity.nebraska.gov>

### **CDBG**

#### **Jenny B. Mason**

*Director of Community Development*  
Community Development Division  
Department of Economic Development  
245 Fallbrook Blvd, Suite 002  
Lincoln, NE 68521  
(402) 471-6280  
Email: [Jenny.Mason@nebraska.gov](mailto:Jenny.Mason@nebraska.gov)  
<http://www.opportunity.nebraska.gov>

### **HOPWA**

#### **Jeri Weberg-Bryce**

*Administrator*  
Division of Public Health  
Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68509-5026  
(402) 471-2910  
Email:  
[Jeri.Webergbryce@nebraska.gov](mailto:Jeri.Webergbryce@nebraska.gov)  
<http://www.dhhs.ne.gov>

#### **Logan Reynolds**

*HOPWA Program Manager*  
Division of Public Health  
Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68509-5026  
(402) 471-6053  
Email: [Logan.Reynolds@nebraska.gov](mailto:Logan.Reynolds@nebraska.gov)  
<http://www.dhhs.ne.gov>

### **HOME / HTF / NAHTF**

#### **Lynn Kohout**

*Director of Housing*  
Housing Division  
Department of Economic Development  
245 Fallbrook Blvd, Suite 002  
Lincoln, NE 68521  
(402) 440-2599  
Email: [Lynn.Kohout@nebraska.gov](mailto:Lynn.Kohout@nebraska.gov)  
<http://www.opportunity.nebraska.gov>

### **ESG / HSATF**

#### **Sue Medinger**

Health Services and Systems Administrator  
Division of Public Health  
Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68509  
(402) 417-0191  
Email: [Sue.Medinger@nebraska.gov](mailto:Sue.Medinger@nebraska.gov)  
<http://www.dhhs.ne.gov>

#### **Niki Tuzicka**

*Nebraska Homeless Assistance Program Coordinator*  
Division of Public Health  
Department of Health and Human Services  
301 Centennial Mall South  
Lincoln, NE 68508  
(402) 314-4649  
Email: [Niki.Tuzicka@nebraska.gov](mailto:Niki.Tuzicka@nebraska.gov)  
<http://www.dhhs.ne.gov>

## Acronym List

AAP	Annual Action Plan
AIDS	Acquired Immune Deficiency Syndrome
BoS CoC	Balance of State Continuum of Care
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CHAS	Comprehensive Housing Affordability Strategy
CHDO	Community Housing Development Organization
CNF	Community Need Factors
CoC	Continuum of Care
CRANE	Collaborative Resource Allocation for Nebraska
DED	Nebraska Department of Economic Development
DEE	Nebraska Department of Environmental Quality and Energy
DHHS	Nebraska Department of Health and Human Services
DTR	Downtown Revitalization
ED	Economic Development
ESG	Emergency Solutions Grant
HCD	Housing and Community Development
HCCA	Housing and Community Development Act
HIV	Human Immunodeficiency Virus
HMIS	Homeless Management Information System
HOME	HOME Investment Partnerships Program
HOPWA	Housing Opportunities for Persons With AIDS
HSATF	Homeless Shelter Assistance Trust Fund
HTF	National Housing Trust Fund
HUD	U. S. Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credit
LMA	Low to Moderate Income Area Benefit
LMC	Low to Moderate Income Limited Clientele
LMH	Low to Moderate Income Housing
LMI	Low to Moderate Income
LMJ	Low to Moderate Income Jobs
MOU	Memorandum of Understanding
NAHTF	Nebraska Affordable Housing Trust Fund
NCHH	Nebraska Commission on Housing and Homelessness
NDO	Nonprofit Development Organization
NHAP	Nebraska Homeless Assistance Program
NIFA	Nebraska Investment Finance Authority
NMIS	Nebraska Management Information System
NOFA	Notice of Funding Availability
PER	Performance Evaluation Report
PW	Public Works
RFA	Request For Applications
RLF	Revolving Loan Fund
TA	Technical Assistance
USDA	U.S. Department of Agriculture

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

### 1. Introduction

This Annual Action Plan updates the State of Nebraska’s Consolidated Plan for Housing and Community Development. The Consolidated Plan is a 5-year plan to address housing and community development needs. It was submitted in 2020 and addresses the goals from program years 2020 – 2024 (July 1, 2020 – June 30, 2025). The State submits the Plan to the U.S. Department of Housing and Urban Development (HUD) to apply for funds under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), National Housing Trust Fund (HTF), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs. This Annual Action Plan is for the program year beginning July 1, 2024.

As the lead agency for the Consolidated Plan, the Nebraska Department of Economic Development (DED), in coordination with the Nebraska Department of Health and Human Services (DHHS), hereby follows HUD’s guidelines for citizen and community involvement. Furthermore, it is responsible for overseeing citizen participation requirements that accompany the Annual Action Plan.

### 2. Summarize the objectives and outcomes identified in the Plan

The goals of the federal programs are to provide decent housing, a suitable living environment for the Area’s low- and moderate-income residents, and economic opportunities for low-moderate income residents. The State strives to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities. These goals are further explained as follows:

- Providing decent housing means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing.
- Providing a suitable living environment entails improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- Expanding economic opportunities involves creating jobs that are accessible to low- and moderate-income persons; making down payment and closing cost assistance available for low- and moderate-income persons; promoting long term economic and social viability; and empowering low-income persons to achieve self-sufficiency. The opportunity for youth job training has not succeeded due to barriers and restraints caused by the pandemic. The funds allocated for Support Vital Public Services in year 2023 & 2024 will be allocated to other CDBG opportunities.

### 3. Evaluation of past performance

Nebraska’s evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). These documents state the objectives and outcomes identified in each year’s Annual Action Plan and include an evaluation of past performance through measurable goals and objectives compared to actual performance. These documents can be found on the Department of Economic Development’s website at: <https://opportunity.nebraska.gov/programs/plans-reports>.

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

The 2024 Annual Action Plan was made available on the DED website on April 5, 2024, and paper copies were made available upon request. Per the Citizen Participation Plan, the public were informed of the 30-day public comment period (April 5, 2024 – May 5, 2024) and of the public hearing (April 22, 2024). The public notification was distributed electronically via email to local officials, developers, non-Profit organizations, development districts, the Nebraska Commission of Housing and Homelessness, and the Continuum of Cares throughout the State.

#### **5. Summary of public comments**

Public Comments underway

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

Public Comment Period is underway.

#### **7. Summary**

## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for the administration of each grant program and funding source.

Table 1 - Responsible Agencies

<b>Agency Role</b>	<b>Name</b>	<b>Department/Agency</b>
CDBG Administrator	NEBRASKA	Department of Economic Development/Community Development Division
HOPWA Administrator	NEBRASKA	Department of Health & Human Services/Public Health Division
HOME Administrator	NEBRASKA	Department of Economic Development/ Housing Division
ESG Administrator	NEBRASKA	Department of Health & Human Services/Public Health Division
HTF Administrator	NEBRASKA	Department of Economic Development/Housing Division

### Narrative

The Annual Action Plan was developed in partnership with the Nebraska Department of Economic Development (DED) and the Nebraska Department of Health and Human Services (DHHS). The CDBG, HOME, and HTF Programs are administered by DED within the Community Development Division and the Housing Division. The ESG Program is administered by DHHS within the Division of Public Health. The HOPWA Program is administered by DHHS within the Division of Public Health.

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

### **1. Introduction**

The State worked at enhancing coordination between housing and service providers throughout the state. This was completed through consultation efforts made by DED and DHHS throughout the development of the Consolidated Plan. Some efforts for coordination included meeting with housing providers that included for-profit developers, members of the regional Development Districts; nonprofit organizations; and community members throughout the state. In addition, consultation with the behavioral health and mental health advisory committee was conducted. DED or DHHS will attend meetings with this organization to obtain a better understanding of what some of the issues and needs are of the mental health and substance abuse service providers.

#### **a. Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies**

The State worked at enhancing coordination between housing and service providers throughout the state. This was completed through consultation efforts made by DED and DHHS throughout the development of the Annual Action Plan. Some efforts for coordination included meeting with housing providers that included for-profit developers, members of the regional Development Districts; nonprofit organizations; and community members throughout the state. In addition, consultation with the behavioral health and mental health advisory committee was conducted. DED or DHHS will attend meetings with this organization to obtain a better understanding of what some of the issues and needs are of the mental health and substance abuse service providers.

The Nebraska Commission on Housing and Homelessness (NCHH) was created in 1998 and serves to promote public and private coordination and collaboration, develop policies and program recommendations that address affordable housing and homelessness and at risk of homeless issues, and perform as the advisory body to programs overseen by DED and DHHS. The NCHH, in coordination with DED and DHHS, collaborates with a statewide Continuum of Care (CoC) system to evaluate unmet needs and provide effective solutions to build the services and affordable housing needed for healthy viable Nebraskan communities.

Membership for the advisory body is comprised of governor-appointed representatives from public and assisted housing providers, local, regional, and state officials, housing and homeless providers, community leaders, and other interested service agencies. CDBG, HOME, ESG, HTF, and HOPWA program staff are actively engaged in NCHH meetings. Other associations, public and private agencies, and businesses in the state related to low-income populations and services, housing, and development are also invited to attend and report at NCHH meetings. NCHH meets quarterly to discuss, plan, and make recommendations for coordination and cooperation of housing across the State of Nebraska, including services and support needed to serve homeless persons and persons at risk of homelessness.



**b. Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

The main objective of the Nebraska Homeless Assistance Program (NHAP) is to provide an overall Continuum of Care (CoC) approach to address the needs of people who are homeless or are at risk of homelessness. NHAP includes funding from both ESG and the State's Homeless Shelter Assistance Trust Fund (HSATF). Nebraska has two ESG entitlement cities, which are the Region 6 Lincoln CoC and the Region 7 Omaha CoC. The remaining local five regions collectively form the Balance of State (BoS) CoC. The entire state is referred to as the State Continuum of Care System. NHAP is the recipient of ESG funds allocated for the BoS CoC and the State of Nebraska HSATF dollars that are allocated statewide. NHAP coordinates with the entire CoC System on an ongoing basis by participating in meetings, leading strategic planning efforts, coordinating with ESG entitlement city administrators, supporting the Homeless Management Information System (HMIS), and participating in the establishment and evaluation of ESG and CoC funding priorities. Being aligned within a division of DHHS enables NHAP to coordinate at a state level with the Division of Behavioral Health, the Division of Children and Family Services Protection and Safety, and the Division of Public Health to address gaps in services.

To effectively help facilitate a cohesive statewide CoC network, a State CoC Committee has been established which seeks to include representation from governmental, homeless/formerly homeless individuals, and public and private entities. The purpose of the State CoC Committee is to support the objectives of the Nebraska Commission on Housing and Homelessness (NCHH). The NCHH serves as an advisory body to NHAP. To accomplish this, the following objectives are observed:

- 1) Focus the attention on the need of persons who are homeless and persons at risk of homelessness;
- 2) Propose solutions to the needs of persons who are homeless and persons at risk of homelessness;
- 3) Encourage and support continuity, coordination, and cooperation at the State level among the State agencies that deliver programs and services to persons who are homeless and persons at risk of homelessness;
- 4) Coordinate the development of a statewide comprehensive plan; and,
- 5) Coordinate with the NCHH in developing recommendations for programs and/or services that involve housing persons who are homeless or at risk of homelessness.

The State CoC Committee is involved in the ongoing planning, coordination, and implementation of programs and services that involve housing and homelessness. Before the pandemic, the committee met quarterly. During the height of the COVID-19 Pandemic, CoC leadership, state and city officials, and agency staff responsible for the Emergency Rental Assistance Program (ERAP), Homeowners Assistance Fund (HAF), CoC, ESG, CDBG, and HOME funds met weekly to discuss the coordination of services. These meetings have proven beneficial post-pandemic and continue on a monthly basis. NHAP leads the meetings, shares information, and seeks input to meet the needs of the populations served by ESG. Representatives from local health departments, the State

Health Department, the Nebraska Emergency Management Agency (NEMA), HUD, and the Nebraska Children and Families Foundation participate as needed.

Under the guidance and direction of NCHH, the State Continuum of Care Committee is charged with implementing the Opening Doors: 10-Year Plan to prevent and end homelessness in Nebraska. The Opening Doors Plan is considered a living document and it will reflect the actual and evolving reality of funding, economics, and society. The State Continuum of Care continues to meet regularly to discuss emerging practices and strengthen collaboration across the state and work towards ending homelessness in Nebraska.

As previously mentioned, two of the seven regions in Nebraska are classified as entitlement communities. The remaining five regions are identified as rural, and in 2010 were collectively grouped as a representative body for regions 1-5, defined as the Balance of State (BoS) CoC. The goal of the BoS CoC is to coordinate the efforts to prevent and end homelessness in rural Nebraska. For the BoS CoC Governing Board membership, each region elects two representatives. The BoS CoC, in conjunction with NHAP, meets monthly via conference call to discuss the planning, coordinating, and prioritization of the supports and services needed to serve and support the homeless and at risk of homelessness population in rural Nebraska. NHAP also participates in the ESG entitlement CoCs to increase collaboration statewide. The BoS CoC is comprised of five distinct local regional coalitions which include: Region 1-Panhandle (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, Deuel Counties); Region 2-North Central (Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, Valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, Hamilton Counties); Region 3-Southwest (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Red Willow, Furnas, Harlan, Franklin Counties); Region 4- Southeast (Polk, Butler, Saunders, York, Seward, Lancaster, [The City of Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, Richardson Counties); Region 5-Northeast (Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, and Washington Counties).

Beginning in the program year 2019, Douglas and Sarpy Counties were included with the City of Omaha (Omaha and Bellevue) in Region 7 for NHAP/HSATF funding due to the close geographical proximity to better align services for homeless and at risk of homeless persons in a client-focused manner. In the program year 2023, NHAP allocated ESG funding to Sarpy and portions of Douglas County outside of the City of Omaha. There have been no changes to Region 6, the City of Lincoln.

At the regional level, to ensure that the CoC enables widespread participation and collaboration, the BoS CoC serves as the Governing Board for the five regional coalitions in rural Nebraska. Each of the five rural regions hosts monthly coalition meetings to coordinate and plan how services and resources can best meet the needs of the homeless and at risk of homelessness within the region. MACCH and the Lincoln CoC meet monthly to promote coordination between the member agencies.

The HOPWA project sponsor participates in each of the regional Continuum of Care committees to provide expertise in the area of HIV/AIDS and to officially represent the needs of persons living with HIV/AIDS. DED continues to collaborate and consult with homeless service providers; housing authorities; the Continuums of Care (CoCs); housing developers; non-profit organizations;

the Nebraska Investment Finance Authority (NIFA); the Nebraska Commission on Housing and Homelessness (NCHH); and other communities and organizations throughout the state. The goal of this collaboration is to obtain information to administer affordable housing programs effectively, particularly in the areas of special needs housing and permanent supportive housing.

**c. Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

NHAP gathers input from the CoC governing bodies regarding funding priorities and identifies service needs. NHAP also utilizes HMIS data, Housing Inventory Counts (HIC), Point-in-Time (PIT) counts, Longitudinal Systems Analysis (LSA) reports, and prior year's subrecipient data to review past program performance and identified gaps in services across the state. Additionally, the NHAP competitive application process requires reporting of performance measures. Examples of performance measures include the percentage of exits to permanent housing, program participant increase in cash benefits, and percent of returns to homelessness at twenty-four (24) months after exit.

State BoS ESG funds and HSATF funds are allocated through the State's unified funding process. The funding process helps ensure an equitable distribution of funds throughout the entire state. The allocation formula was developed through input from HUD PPRN calculations, the State Continuum of Care, and homeless advocacy partners. The formula is periodically reviewed and revised as appropriate.

ESG funding distribution occurs through a competitive grant process in which allocation recommendations from the grant review team are provided. The review team is composed of representatives from the CoC regions, partners, DHHS, homeless advocate entities, and other collaborating agencies.

NHAP consults with the State's three CoCs' on performance standards and outcome evaluations for both CoC and ESG-funded programs through monthly conference calls in which NHAP regularly participates. The focus of the calls is to gather and analyze information to determine the needs of Nebraskans experiencing homelessness, plan and implement strategic responses, develop performance standards, evaluate outcomes, and implement endeavors to improve the quality and effectiveness of strategies to prevent and end homelessness. The BoS CoC updates the Written Standards for the ESG/CoC Service Delivery to reflect current HUD regulations and provide guidance on the expectations and requirements of ESG program activities. Updated Written Standards can be accessed at [https://ccfl.unl.edu/community-services-management/Nebraska%20Balance%20of%20State%20Written%20Standards%202023\\_0.pdfhttps://ccfl.unl.edu/community-services-](https://ccfl.unl.edu/community-services-management/Nebraska%20Balance%20of%20State%20Written%20Standards%202023_0.pdfhttps://ccfl.unl.edu/community-services-)

The HMIS lead agency for the BoS CoC also was selected to implement the Coordinated Entry (CE) system for CoC and ESG-funded agencies. The BoS CoC successfully achieved full compliance with the CE requirements as established in 24 CFR 578.7(a)(8), 24 CFR 576.400(d) and (e), and Notice

CPD-17-01 on January 15th, 2018. For the Coordinated Entry Manual and other resource materials, refer to <https://ccfl.unl.edu/community-services-management/coordinated-entry>. The BoS CE System was developed through a CE planning committee comprised of homeless service agencies across the state, the Domestic Violence Coalition, NHAP, and other parties. The efforts in developing a CE process led to the “All Doors Lead Home Coordinated Entry”. This established a collaborative approach to find and connect homeless persons as quickly as possible to the most appropriate and effective housing that is housing first, and client-choice driven.

To facilitate the statewide prioritization and placement process for the most vulnerable homeless population in the BoS CoC, the Most Vulnerable Review Team (MVRT) was created by the BoS CoC. By using the “All Doors Lead Home Coordinated Entry” approach, the HMIS Client Profile information and VI-SPDAT assessment score are shared with the MVRT. The MVRT assembles weekly via conference call to discuss, review, and select the most vulnerable homeless individuals in the BoS CoC who can be best served in Permanent Supportive Housing (PSH), Rapid Rehousing (RRH), and Transition Aged Youth (TAY) programs. This process also allows for a client-driven choice to relocate within all seven CoC regions in Nebraska.

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

NHAP will continue to utilize ESG and HSATF to provide funding for the HMIS system as administered by the University of Nebraska Lincoln - Center on Children, Families, and the Law (UNL-CCFL). The Nebraska BoS CoC and the City of Lincoln CoC have selected CCFL as the HMIS Lead. The Omaha Metro CoC (Metro Area Continuum of Care for the Homeless) has selected the Institute for Community Alliances (ICA) as the HMIS Lead. Contracts will be issued by NHAP for HMIS system support. To ensure the CoC's involvement in the competitive funding process utilized for sub-granting NHAP funds, the review and selection team for the HMIS provider selection included NHAP and CoC representatives.

## 2. Agencies, groups, organizations, and others who participated in the process and consultations

Table 2 Agencies, groups, organizations who participated

1	<b>Agency/Group/Organization</b>	Region 1 - Panhandle
	<b>Agency/Group/Organization Type</b>	Regional Coalition
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
2	<b>Agency/Group/Organization</b>	Region 2 – North Central
	<b>Agency/Group/Organization Type</b>	Regional Coalition
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
3	<b>Agency/Group/Organization</b>	Region 3 – Southwest
	<b>Agency/Group/Organization Type</b>	Regional Coalition
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
4	<b>Agency/Group/Organization</b>	Region 4 - Southeast
	<b>Agency/Group/Organization Type</b>	Regional Coalition
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
5	<b>Agency/Group/Organization</b>	Region 5 - Northeast
	<b>Agency/Group/Organization Type</b>	Regional Coalition

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

8	<b>Agency/Group/Organization</b>	CDBG Certified Administrators
	<b>Agency/Group/Organization Type</b>	Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.

9	<b>Agency/Group/Organization</b>	Nebraska Commission on Housing and Homelessness (NCHH)
	<b>Agency/Group/Organization Type</b>	Housing Public Housing Authority (PHA) Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services – Victims Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.



10	<b>Agency/Group/Organization</b>	Nebraska Community Action Agencies
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Other government - State Other government - County Other government - Local Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
11	<b>Agency/Group/Organization</b>	Nebraska County Clerks
	<b>Agency/Group/Organization Type</b>	Other government – County

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
12	<b>Agency/Group/Organization</b>	Nebraska Economic Developers Association
	<b>Agency/Group/Organization Type</b>	Housing Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.

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

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
16	<b>Agency/Group/Organization</b>	Nebraska Villages
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
17	<b>Agency/Group/Organization</b>	Non-Profit Organizations
	<b>Agency/Group/Organization Type</b>	Various

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
18	<b>Agency/Group/Organization</b>	For Profit Developers
	<b>Agency/Group/Organization Type</b>	Various
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
19	<b>Agency/Group/Organization</b>	Nebraska Investment Finance Authority (NIFA)
	<b>Agency/Group/Organization Type</b>	Quasi-Government

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
20	<b>Agency/Group/Organization</b>	Second Class Nebraska Cities
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to public hearing, and comment on draft plan.
21	<b>Agency/Group/Organization</b>	Nebraska Emergency Management Agency
	<b>Agency/Group/Organization Type</b>	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Other: Hazard Mitigation, Disaster Preparedness

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>The State consulted with NEMA as the State Agency that manages flood prone areas, public land and water resources, and emergency management. The State has on-going consultation efforts with NEMA in addition to the coordination with NEMA's Hazard Mitigation Plan.</p>
---	---

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

The State made every effort to be inclusive in its consultation.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Table 3 Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Nebraska Commission on Housing & Homelessness	Opening Doors: Nebraska’s Plan to End Homelessness; Various homeless assistance providers, in consultation with CoCs; consultants; federal and state partners; housing developers; and other interested parties developed the Opening Doors Plan than can be utilized in coordination with the State's Consolidated Plan and Annual Action Plan in helping coordinate efforts, funding, and priorities among different programs aimed at ending homelessness.

**Narrative**

The info above provides a description of the coordination & consultation efforts made by the State.na



## AP-12 Participation - 91.115, 91.300(c)

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.**

Citizen participation is an essential component of a statewide planning effort. Nebraska strongly encourages public participation throughout the consolidated planning process.

#### **Opportunities For Public Participation**

The importance of public participation (including consultation with advisory groups) in the development of the AAP cannot be overstated. Each year DED must update objectives and describe the State's method of distribution of funds to effectively utilize HUD assistance. A public hearing is held to obtain citizen comments on the AAP. The hearing is held at a time and location considered convenient to potential and actual beneficiaries, and with accommodations for persons with disabilities. Opinions from the public regarding the best time and date for such hearings are welcome.

Citizens and other interested parties are given an opportunity for reasonable and timely access to information and records relating to the AAP, and the use of assistance under the programs it covers. Copies of the 2024 Annual Action Plan, the State's 2020-2024 Consolidated Plan, and other related information may be obtained by accessing the Department's website at: <https://opportunity.nebraska.gov/programs/plans-reports/> or by contacting the Consolidated Plan Coordinator identified at the beginning of this document.

## Citizen Participation Outreach

Table 12: Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of coments not accepted and reasons	URL (if applic able)
1	Internet Outreach	Non-targeted/ broad community	The Notice of Public Hearing and Public Comment Period was posted on DED's Website, a press release was issued, and sent out to the following groups via email: Housing Authorities, Housing Developers, Nebraska Economic Developers Association, Nebraska County Clerks, Nebraska First Class Cities, Nebraska Second Class Cities, Nebraska Villages, Nebraska State Government Officials, Community Action Agencies, CDBG Certified Administrators, the Association of Home Builders, and the League of Municipalities.	Public Comment Period Underway		<a href="https://oppo.rtn.nebraska.gov/programs/plans-reports/">https://oppo.rtn.nebraska.gov/programs/plans-reports/</a>
2	Newspaper Ad	Non-targeted/ broad community	The public notification was sent to four Nebraska newspapers: Scottsbluff Star-Herald; Lincoln Journal Star; North Platte Telegraph, and Norfolk Daily News.	Public Comment Period Underway		
3	Public Hearing	Non-targeted/ broad community	Public hearings concerning the 2024 AAP will be held on April 22, 2024, in-person and virtually.	Public Comment Period Underway	.	
4	Internet Outreach	Non-targeted/ broad community	Posted on social media platforms (Facebook and Twitter) notifying the public of the public comment period and the public hearing.	Public Comment Period Underway		
5	Internet Outreach	Non-targeted/ broad community	Published the public hearing on the Public Calendar for Nebraska.gov. This notification included information regarding the public comment period.	Public Comment Period Underway	.	

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

### Introduction:

Below is the anticipated resources for CDBG, HOME, HOWPA, ESG, HTF, NAHTF and HSATF.

### Anticipated Resources

Table 15.1 CDBG Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$10,721,650.00	\$9,559,395.00	\$6,841,319.18	\$27,095,436.18	\$0.00

### Narrative Description

CDBG resources are provided to units of local government for CDBG-eligible activities. The table identifies the amount, rounded to the whole dollar, CDBG annual allocation, estimated program income, and estimated prior year resources available to be distributed. The estimated CDBG program income available for distribution is from the CDBG State Revolving Loan Fund (State RLF) (\$5,379,288) and the CDBG Program Income (Local PI) retained at the local level (\$4,180,107).

A portion of the 2024 allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The State will match up to 3% of the total CDBG allocation for the CDBG general administration allocation, which excludes technical assistance funds.

Table 15.2 HOME Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$4,587,520.00	\$0.00	\$2,057,395.00	\$6,644,8945	\$0.00

**Narrative Description**

HOME resources are primarily used for rental development and homebuyer activities. Homebuyer activities include new construction activities. HOME funds may also be allocated toward construction and homebuyer subsidy if paired with a homebuyer activity. State recipients of resources may also receive administrative funds. No less than 15% of resources will be utilized for CHDO-eligible activities. Ten percent of the HOME allocation will be reserved for State Administration.

Table 15.3 HOPWA Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$848,459.00	\$0.00	\$56,000.00	\$904,459.00	\$904,459.00

**Narrative Description**

The majority of HOPWA resources are leveraged with resources from Community Action Agencies and paired with the Ryan White Part B Program. Up to 3% of the HOPWA allocation can be used for state administration. Up to 7% of the total amount awarded to a project sponsor can be utilized for administration. The DHHS HOPWA Program will adjust its and their Project Sponsors estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

Table 15.4 ESG Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
ESG	public - federal	Administration and Planning Financial Assistance Overnight Shelter Permanent Housing Placement Rapid Rehousing (rental assistance) Rental Assistance Services Short term or Transitional housing Supportive Services Transitional Housing	\$1,000,733.00	\$0.00	\$0.00	\$1,000,733.00	\$0.00

**Narrative Description**

ESG resources are allocated to non-profit agencies throughout the state to provide ESG-eligible homeless and at risk of homelessness services for the Nebraska BoS CoC. Dependent upon the requests and need for services, ESG funding may be used for all ESG federally allowed activities to include street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS. HSATF resources will be utilized to supplement ESG activities and provide matching funds. See Appendix 1.1 2024 Estimated Allocation Table to view the funding available through the HSATF program. Of the expected ESG allocation, 7.5% will be set aside for state administration to provide technical assistance and program support.

Table 15.6 HTF Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$3,066,413.24	\$0.00		\$4,747,865.76	\$0.00

**Narrative Description**

HTF resources are primarily used for rental housing development and acquisition, rental rehabilitation, and operating assistance and operating reserves for extremely low-income persons at or below 30% of the Area Median Income. Funds will be distributed to projects as identified within the AP-30: Methods of Distribution and the HTF Allocation Plan through the following set-asides: LIHTC 9% and 4% application cycles, CRANE, Targeted Needs, and Permanent Housing. Each program year, up to 10% of the allocation will be used for state administration.

Table 15.7 NAHTF Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
Other - NAHTF	public - state	Acquisition Admin and Planning Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$12,750,000.00	\$0.00	\$0.00	\$12,750,000.00	\$12,750,000.00

**Narrative Description**

The Nebraska Affordable Housing Trust Fund (NAHTF) was established by the (1996) Nebraska Affordable Housing Act (Neb. Rev. Stat. 58-701 through 58-711). The Act, which was adopted to address the state's affordable housing needs, calls for a portion of the documentary stamp tax from Nebraska real estate transactions to be transferred to the NAHTF. These funds are to be distributed to support the provision of decent, affordable housing statewide, to encourage economic development and promote the general prosperity of all Nebraskans. Project activities include homeowner rehabilitation, homebuyer activities, rental housing, and nonprofit technical assistance. 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. Further information and details can be found within the QAP at: [https://opportunity.nebraska.gov/wp-content/uploads/2023/02/2023-NAHTF-QAP\\_20230208.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2023/02/2023-NAHTF-QAP_20230208.pdf). The NAHTF resources for the 2023 Program Year will be utilized to further housing programs throughout the state.



Table 15.8 HSATF Anticipated Resources

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan
Other - HSATF	public - state	Administration and Planning Financial Assistance Overnight Shelter Permanent Housing Placement Rapid Rehousing (rental assistance) Rental Assistance Services Short Term or Transitional Housing Facilities Supportive Services Transitional Housing	\$1,172,026.00	\$0.00	\$0.00	\$1,172,026.00	\$0.00

**Narrative Description**

The Nebraska Homeless Shelter Assistance Trust Fund (HSATF) is based on a twenty-five-cent set aside on each \$1,000 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales as established in 1992, LB 1192. The Expected Resources Priority Table identifies the HSATF funding available to the Balance of the State.

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

### **CDBG**

In order to fulfill the one-to-one matching requirement to the CDBG administration allocation, the State will provide up to 3% of matching funds. A portion of the 2024 allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The State will match up to 3% of the total CDBG allocation for the CDBG general administration allocation, which excludes technical assistance funds. This amount fulfills the one-to-one matching requirement toward general administration expenditures. Technical assistance expenditures do not require match. The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations. State recipients and sub-recipients may also receive administration funds.

CDBG funds will be also be matched with other local resources as explained within the AP- 30: Methods of Distribution section of the AAP and the 2024 CDBG Application Guidelines (<http://opportunity.nebraska.gov/CDBG>).

### **HOME**

HOME funds will be leveraged with other resources including low-income housing tax credits, private equity, and local resources. In 2022-2024 program years DED's HOME match reserve and/or NAHTF resources will be utilized to meet the HOME 25% match requirement for non-administration funds.

### **ESG**

ESG funds, administered through NHAP, will be matched with HSATF resources. The HSATF is funded through the documentary stamp tax. Twenty-five cents is set aside on each \$1,000 of the value of real estate sold in Nebraska, as established in Nebraska State Statute 68-1601 through 1608. Annually, the amount of HSATF funding available varies based on documentary stamp tax revenue and the legislative spending authority. The HSATF will provide 100% of the match for the BoS ESG.

The ability of the Nebraska DHHS to utilize HSATF to provide 100% of the match for ESG is a benefit to non-profit agencies in their effort to provide homeless services. This is particularly beneficial in communities that have limited access to private and local funding sources. Per 24 CFR 576.201(a), DHHS is not required to match the first \$100,000 of the ESG grant.

Some of the NHAP-funded subrecipients are awarded HUD CoC funds to provide permanent supportive housing (PSH), rapid rehousing, and essential services to individuals. Also, some are recipients of HUD Veterans Affairs Supportive Housing (VASH) funds used to provide services for homeless veterans. Furthermore, several NHAP subrecipients also receive other federal funds, other state funds, grants from foundations, and private donations. These funds are utilized with the NHAP funds to provide a continuum of services that meet the array of needs of homeless individuals across the state. NHAP coordinates with the BoS, Omaha, and Lincoln CoCs. This coordination assists in the seamless provision of services to homeless individuals across the State of Nebraska.

**HOPWA**

For the HOPWA Program, the majority of leveraging of funds includes other public funding, such as Community Action Agencies, the Ryan White Parts B and C, and the Housing Choice Voucher Program. Leveraging private funding by the Nebraska AIDS Project-Flowers' Fund provides food, personal care, and transportation. All leveraged assistance that HOPWA clients receive from outside resources is entered into the E2 Nebraska Case Management software program to support completion of the Consolidated Annual Performance and Evaluation Report (CAPER).

**HTF**

HTF funds will be leveraged with a variety of public and private resources that may include but will not be limited to; low-income housing tax credits, developer equity, construction and permanent financing, partner contributions, and other state and federal resources that may be available to create successful HTF projects.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.**

Not applicable.

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

### Goals Summary Information

Annual Goals and Objectives - Appendix 1.2

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Priority Needs Addressed	Funding Allocation	Goal Outcome Indicator
1	Increase Availability of Affordable Housing	2020	2024	Affordable Housing	Statewide	Households with Unmet Housing Needs	HOME: \$6,267,183.88  HTF: \$4,681,452.52  NAHTF: \$12,750,000.00	Rental units constructed: 60 Household Housing Unit  Rental units rehabilitated: 20 Household Housing Unit  Homeowner Housing Added: 120 Household Housing Unit  Homeowner Housing Rehabilitated: 124 Household Housing Unit
2	Enhance Public Facilities and Infrastructure	2020	2024	Non-Housing Community Development	Statewide	Community Development Priority Needs	CDBG: \$9,662,941.63	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 65,000 Persons Assisted  Facade treatment/business building rehabilitation: 40 Business
3	Encourage Economic Development	2020	2024	Non-Housing Community Development	Statewide	Economic Development Priority Needs	CDBG: \$11,747,901.76	Jobs created/retained: 40 Jobs  Businesses assisted: 3 Businesses Assisted
4	Support Vital Public Services	2020	2024	Non-Homeless Special Needs Non-Housing Community Development	Statewide	Special Needs and LMI Populations	CDBG: \$0.00	Public service activities other than Low/Moderate Income Housing Benefit: 60 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Priority Needs Addressed	Funding Allocation	Goal Outcome Indicator
5	Reduce Homelessness	2020	2024	Homelessness	Statewide	Homelessness	ESG: \$925,678.03  HSATF: \$1,097,026.00	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted  Homeless Person Overnight Shelter: 1,950 Persons Assisted  Homelessness Prevention: 945 Persons Assisted
6	Assist Persons with HIV/AIDS	2020	2024	Homeless Non-Homeless Special Needs	Statewide	Persons with HIV/AIDS	HOPWA: \$823,006.23	Public Service activities other than LMI Housing Benefit: 15 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted  Homeless Prevention: 60 Persons Assisted  Housing for People with HIV/AIDS added: 20 Household/Housing Units assisted

## Goal Descriptions

1	<b>Goal Name</b>	<b>Increase Availability of Affordable Housing</b>
	Goal Description	<p>Within the Nebraska affordable housing programs, resources will be provided that primarily benefit low to moderate income persons, and extremely low-income persons, through affordable housing activities. These activities are completed through resources from CDBG, HOME, HTF, and NAHTF.</p> <p>The State estimates it will provide four extremely low-income households with assistance with HTF funds.</p>
2	<b>Goal Name</b>	<b>Enhance Public Facilities an Infrastructure</b>
	Goal Description	This Program includes planning; public works; and downtown revitalization activities. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
3	<b>Goal Name</b>	<b>Encourage Economic Development</b>
	Goal Description	The primary goals of the Program include job creation, expansion, and tourism development. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
4	<b>Goal Name</b>	<b>Support Vital Public Services</b>
	Goal Description	The primary goals of the Program include funding public services including youth employment training opportunities that will primarily benefit LMI persons throughout the state.
5	<b>Goal Name</b>	<b>Reduce Homelessness</b>
	Goal Description	Provide rapid rehousing services, so homeless individuals can secure permanent housing options that address their needs and encourage stability. Provide immediate emergency shelter to homeless individuals as a temporary measure until suitable permanent housing can be secured. Emergency shelter participants may include trafficking victims, as well as individuals fleeing domestic violence, sexual assault, and stalking victims. Emergency shelters may serve as a temporary refuge until individuals can return to their residences safely with supports in place. Assure needed services are provided to people who are at risk of becoming homeless to prevent entry into an emergency shelter or other temporary housing. The amount identified for ESG is the amount of ESG funds for the BoS minus 7.5% for administration. The amount identified for HSATF is the amount of matching HSATF funds minus \$75,000 for administration.
6	<b>Goal Name</b>	<b>Assist Persons with HIV/AIDS</b>
	Goal Description	The primary goals of the Program are to help provide activities that serve persons with HIV/AIDS throughout Nebraska. These include homeless prevention, public services, HIV/AIDS Housing Operations (hotel/motel vouchers), and TBRA activities.

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

### Introduction:

The following are allocation priorities for CDBG, HOME, HTF, ESG, and HOPWA. In addition, allocation priorities for NAHTF and HSATF resources are also identified.

### Funding Allocation Priorities

Table 25.1 Funding Allocation Priorities

Program	Increase Availability of Affordable Housing	Enhance Public Facilities and Infrastructure	Encourage Economic Development	Support Vital Public Services	Reduce Homelessness	Assist Persons with HIV/AIDS	Total
CDBG	0%	45%	55%	0%	0%	0%	100%
HOME	100%	0%	0%	0%	0%	0%	100%
HOPWA	0%	0%	0%	0%	0%	100%	100%
ESG	0%	0%	0%	0%	100%	0%	100%
HTF	100%	0%	0%	0%	0%	0%	100%
Other: HSATF	0%	0%	0%	0%	100%	0%	100%
Other: NAHTF	100%	0%	0%	0%	0%	0%	100%

### Reason for Allocation Priorities

Through experience and consultation, the allocation priorities for CDBG, HTF, HOME, and NAHTF have been identified as noted above. The above amounts are approximations based on the percentages of resources that are used for various programs. Note that the above table does not reflect administrative expenses but does include the CDBG State RLF that is available to eligible projects during the 2024 Program Year. In 2024, the funds allocated for Support Vital Public Services will be reallocated between Enhance Public Facilities and Infrastructure and Encourage Economic Development Goals. The Support Vital Public Services priority has not been successful due to unforeseen barriers and restraints caused by the pandemic.

NHAP's priority in allocating funding is to ensure ESG and matching HSATF funds will be utilized to address the needs of individuals who are homeless or at risk of homelessness throughout the Nebraska BoS. ESG and matching HSATF funds are distributed among the BoS, which is comprised of the geographical Regions 1 through 5 in Nebraska and a portion of Region 7 (Sarpy County and Douglas County outside of the City of Omaha). Non-matching HSATF funds are distributed within Region 6 and the City of Omaha in Region 7. Regional funding amounts are determined using a base amount and HUD's pro-rata needs formula. This formula is based on population growth, age of housing stock, overcrowding, and poverty levels. NHAP also considers statewide service continuity if needed.

In regard to HOPWA, Nebraska's HOPWA Program budget has funds allocated to budget categories

needed in order to serve priority populations (homeless/chronically homeless) including short-term and long-term rent, permanent housing placement, utility assistance and supportive services, and Hotel/Motel Vouchers. Hotel/Motel Vouchers are a new service category added to address a decrease in COVID assistance in Nebraska despite the continued economic aftershocks from the pandemic and a lack of affordable housing both in Nebraska and nationwide. Hotel/Motel vouchers enables a client to be housed temporarily (up to 60 days) while new permanent housing is being located. Funds have been allocated for the purchase of case management software through RDE Systems. The HOPWA Program continues to seek additional funds to expand tenant-based rental assistance and to increase clients' hands-on access to employment/job training services. Intensive case management is an important component when serving the priority populations.

### **How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The distribution of funds will address the following priority needs as follows:

#### **Households with Unmet Needs Priority Need**

This priority need addresses regional needs for affordable, decent, safe, and appropriate housing as a part of balanced economic development in Nebraska. This Priority Need includes five objectives:

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

HOME, HTF, and NAHTF resources will be used to address the objectives mentioned above.

#### **Community Development Priority Need**

The Community Development Priority Need was developed to strengthen Nebraska communities through community development programs and services to provide a stable platform for economic development. This Priority Need includes three primary objectives:

- Improve the sustainability for infrastructure in Nebraska and assist in developing and financing appropriate infrastructure and facilities for communities and counties that have planned and set priorities for long-term development;
- Invest in quality projects that are identified in a formal community development plan; compliment or support related community investments; leverage maximum private and/or other investment; and have reasonable plans for long-term operation and maintenance; and
- Increase capacity, efficiency, and effectiveness of local planning efforts resulting in long-term development.

The Community Development Program will utilize CDBG resources to address the objectives mentioned above.



### **Economic Development Priority Need**

The Economic Development Priority Need addresses the need to foster the competitiveness of Nebraska's business and industrial sector, and as a result, assist in the economic development of Nebraska's communities and people. This Priority Need includes three primary objectives:

- Promote the retention and expansion of existing businesses in Nebraska, and the startup of new businesses in Nebraska, and the immigration of out-of-state businesses relocating or expanding into Nebraska.
- Invest in public facilities and improvement activities that make economic opportunities available to low- and moderate-income persons.
- Invest in effective and affordable tourist attractions (for profit or nonprofit) in quality communities that will result in visitor spending, generate jobs, and promote long-term economic development.

The Economic Development Program will utilize CDBG resources to address the objectives mentioned above.

### **Special Needs and LMI Populations**

The special needs and LMI populations Priority Needs addresses the need for public services for special needs populations and LMI persons in the State. The Public Service Program will utilize CDBG resources in order to address the needs of youth employment training.

### **Homelessness Priority Need**

The distribution of the ESG and HSATF funding is designed to reduce homelessness by making homelessness rare, brief, and non-recurring. This Priority Need includes three primary components:

- Provide rapid rehousing services, so homeless individuals can secure permanent housing options that address their needs and encourage stability.
- Provide immediate emergency shelter to homeless individuals as a temporary measure until suitable permanent housing can be secured. Emergency shelter participants may include trafficking victims, as well as individuals fleeing domestic violence, sexual assault, and stalking. Emergency shelter may serve as a temporary refuge until individuals can return to their residences safely with supports in place.
- Assure needed services are provided to people who are at risk of becoming homeless to prevent entry into an emergency shelter or other temporary housing.

NHAP will utilize ESG and HSATF funds to address the Homelessness Priority Need by funding activities that use a comprehensive approach to meet the needs of people who are homeless or at risk of homelessness. These activities are intended to assist in the provision of emergency services; prevention and alleviation of homelessness; provision of temporary or permanent housing; and to encourage the development of projects that link housing assistance programs with services to promote self-sufficiency.

### **Persons with HIV/AIDS Priority Need**

The HOPWA Services Priority Need is intended to ensure appropriate emergency and/or permanent housing and services for people who are homeless or at imminent risk of becoming homeless by distributing funds to a project sponsor in order to meet the needs of persons living with HIV/AIDS. This Priority Need assigns one primary objective that includes: Provide housing assistance and related supportive services to low-income persons with HIV/AIDS and their families and enable low-income persons with HIV/AIDS to achieve stability in housing, reduce risks of homelessness, and increase access to health care. HOPWA resources will be allocated to address the Priority Need and to address this specific

objective. In addition, Nebraska’s HOPWA Program has identified the majority of homeless/chronically homeless clients have medical concerns and/or are not employed. Placing individuals into housing and connecting them to healthcare are the first steps when services have been established. Utilizing Permanent Housing Placement and Tenant-Based Rental Assistance has proven to be the best use of HOPWA resources if the person is not eligible for other assistance.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

The Methods of Distribution will be identified for the federal resources: CDBG, HOME, HTF, ESG, and HOPWA. In addition, the two state programs: Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF) are referenced within this section. For more information regarding NAHTF, <https://opportunity.nebraska.gov/nahtf>.

The IDIS eCon Planning Suite System generated the Distribution Methods by State Program Table 12. For purposes of providing the public with a clearer picture of the State’s method of distribution, the following table has been supplemented and reformatted.

### Distribution Methods

Table 30.1 Example

Program Name:
Funding Sources:
Describe the state program addressed by the Method of Distribution.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)
Describe how resources will be allocated among funding categories.
Describe threshold factors and grant size limits.
What are the outcome measures expected as a result of the method of distribution?

## **PROGRAM NAME: CDBG | Downtown Revitalization (DTR)**

### **Funding Sources:**

CDBG funds

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

CDBG funds can be utilized for downtown revitalization projects. The purpose of the Downtown Revitalization (DTR) Opportunity Category is to leverage investments that will contribute to the revitalization or redevelopment of downtown infrastructure and develop a greater capacity for growth, addressing health and safety concerns and commercial revitalization within the traditional business centers of our Nebraska communities. This provides a sound basis for fostering local economic development through public and private sector partnerships. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and cultivates a tangible center for community activity. These projects directly relate to business retention, expansion, and location decisions, but also address public gathering space, recognizing that downtowns reflect the economic core and persona of our communities.

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

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

The primary objective for the CDBG program is benefit to low- and moderate-income communities; therefore, priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons. Activities proposed in applications for CDBG funding in the DTR Opportunity must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Area Benefit and/or, LMI Limited Clientele) or aid in the prevention or elimination of slums or blight on an area (SBA).

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

The Matrix below summarizes each selection criteria as a numerical score within the DTR Category. A minimum score of 40 points is required and some criteria require a minimum score as noted below. Refer to Appendix 1.3 –Application Cycle for the application due date.

Table 30.2 DTR Selection Criteria Matrix

Selection Criteria	Maximum	Threshold Minimum
Project Design	50	25
Project Readiness	20	10
Business & Community Support	10	5
Organizational Preparedness	10	-
Achievements (Applicant may only earn points as an EDCC or LCC, not both.)	15	-
<b>Total</b>	<b>105 points</b>	<b>40 points</b>
On-Site Review (Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.)		

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/CDBG>.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

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

**Threshold Factors**

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority. The following activities are eligible within the DTR Category. DTR project activities must be primarily located in the downtown area (i.e., central business district, downtown redevelopment district, etc.) of the applicant community, but may include limited adjacent areas that provide access to the downtown where need and nexus are adequately demonstrated. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

Activities may include, but are not limited to, the following:

Facilities: Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Removal of architectural barriers for accessibility.

Infrastructure: Street improvements including curb, gutter; sidewalks; storm sewer and water system improvements; Removal of architectural barriers for accessibility; and drainage improvements.

Commercial Rehabilitation: Loans or grants to businesses located in the designated downtown business district for façade improvements, which may include energy efficiency improvements; Loans to businesses located in the designated downtown business district to improve deficiencies in meeting community codes, which may include energy efficiency improvements; Acquisition, clearance, lead based paint removal, and code enforcement activities that support other revitalization activities; Historic restoration, rehabilitation, and preservation for physical structures and infrastructure in a defined downtown business district.

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

- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG DTR Category Table to confirm that the application meets the minimum threshold points required to be considered to receive CDBG funding.

**Grant Size Limits:**

Table 30.3 DTR Minimums, Maximums, and Requirements

Downtown Revitalization Category – Key Minimums, Maximums, and Requirements	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$400,000
Local Matching funds	25% of total CDBG project costs (excludes CDBG general administration and construction management.)
General Administration	10% of CDBG Project Costs not to exceed \$25,000
Construction Management	\$10,000

**Match Requirements:**

Proposed match (i.e., local cost-share) must be for CDBG eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period. Under the DTR category, activities require a 25% match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. At DED’s discretion, in-kind contributions, or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis. Where an applicant or subrecipient proposes use of in-kind match, the calculated value must be accountable, reasonable, and supported by adequate source documentation. It may be difficult to

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

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

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of downtown areas.

## PROGRAM NAME: CDBG | Economic Development (ED)

### Funding Sources:

CDBG funds and CDBG State RLF

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

Within the Economic Development Priority Need, CDBG funds will be utilized for economic development projects. The objective of the Economic Development (ED) category is to assist businesses which expand the state's economic base, and which create quality jobs principally benefiting employees in the low-to-moderate income levels.

CDBG funds will be utilized within the Economic Development Priority Need by a local unit of government for providing communities and counties with resources to assist businesses which expand the state's economic base, and which create quality jobs principally benefiting LMI employees and made available under the LMI CDBG National Objective criteria.

In addition, the CDBG State RLF objective is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations. Program income for the state's program under the ED category is regulated by the provisions of 24 C.F.R. §570.489(e). Refer to the Appendix, Section 2.

During the 2024, Program Year, all activities proposed in applications for CDBG funding in the ED Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategory LMI Jobs).

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

The Matrix below describes each selection criteria as a numerical score within the ED Category. The maximum number of points available within any application is 100 points. A minimum score of 25 points is required overall. Refer to Appendix 1.3 –Application Cycle for the application due date.

Table 30.4 ED Selection Criteria Matrix

Selection Criteria	Maximum	Threshold Minimum
CDBG Funding Utilization	35	-
Community Impact and Investment	30	-
Business Factors	30	-
Economic Development Certified or Leadership Community	5	-
<b>Total Points</b>	<b>100</b>	<b>25</b>

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/CDBG>.

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

Refer to Appendix, Section 1.2—Estimated Categorical Distribution Table for the anticipated funding for this category.

## Describe threshold factors and grant size limits.

### Threshold Factors

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- Business is eligible: a qualified business is those engaged in anyone (or combination) of the following:
  - Research and development
  - Manufacturing
  - Data processing
  - Telecommunications
  - Insurance
  - Financial Services
  - Distribution
  - Storage/Warehousing
  - Transportation
  - Headquarters (administrative)
  - Data Centers
  - Scientific Testing
  - Targeted export services (75% of sales outside Nebraska or to the U.S. Government: software development; computer systems design; product testing services, guidance, or surveillance systems; technology licensing)
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority. The following activities are eligible within the ED Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

Loans to for-profit businesses (through the applicant community) for a variety of business purposes; Public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premises on the infrastructure improvements and agrees to create jobs for LMI persons.

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



- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG ED Category Table to confirm that the application meets the minimum threshold of 25 points required to be considered to receive CDBG funding.

**Grant Size Limits:**

Table 30.5 ED Minimums, Maximums, and Requirements

Economic Development Category – Key Minimums, Maximums, and Requirements	
Maximum CDBG Project Costs	\$1,000,000
Minimum CDBG Project Costs	\$125,000
General Administration	10% of CDBG Project Costs, not to exceed \$10,000
Construction Management	\$5,000
Local Matching Funds	100% of Project Costs
Public Benefit Standards per FTE – Maximum	\$35,000

**Match Requirements:**

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Under the ED category, activities require a 1:1 match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Note that the matching requirement for public facilities (infrastructure) projects undertaken for economic development purposes cannot be met using the benefited business' investment, e.g., the construction of a new plant, but rather must come directly from the applicant community, and the matching funds must be invested in the infrastructure project.

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

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

## PROGRAM NAME: CDBG | Planning (PP)

### Funding Sources:

CDBG funds

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

Within the Community Development Priority Need, CDBG funds will be utilized for planning projects. The purpose of the Planning Opportunity Category is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

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

During the 2024 Program Year, all activities proposed in applications for CDBG funding in the PP Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele).

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

The Matrix below describes each selection criteria as a numerical score within the PP Category. The maximum number of points available within any application is 90 points. A minimum score of 45 points is required and some criteria require a minimum score as noted below. Preference is given to project proposals that demonstrate a comprehensive approach. Priority is given to projects meeting the primary national objective of benefitting low- and moderate-income persons. Refer to Appendix, Section 1.3 – Application Cycle for the application due date.

Table 30.6 PP Selection Criteria Matrix

Selection Criteria	Maximum	Threshold Minimum
Project Need	30	15
Project Impact	30	15
Project Readiness	30	15
<b>Total</b>	<b>90 points</b>	<b>45 points</b>

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for

completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/CDBG>.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

### Describe threshold factors and grant size limits.

#### Threshold Factors

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

Eligible local governments may individually or jointly apply and receive more than one grant per application cycle in the Planning Category. The applicant local government in multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example.

- Activities are eligible and comply with a CDBG National Objective and State CDBG priority. The following activities are eligible within the PP Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

Community Strategic Planning such as, comprehensive plans, downtown revitalization, neighborhood revitalization, environmental and/or sustainability, brownfield revitalization, needs assessment, citizen participation, and fiscal management; Analysis of Impediments (AI) or barriers to Fair Housing Choice; Functional, Analytical, or Special Studies such as - housing; infrastructure; community or regional economic development; land use, zoning, or other related regulatory measures; feasibility; main street improvement district; energy conservation; and transportation, which includes walking/biking/multi-modal studies; and Environmental, Heritage Tourism, and Historic Preservation Studies.

- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG PP Category Table to confirm that the application meets the minimum threshold points required to be considered to receive CDBG funding.

**Grant Size Limits:**

Table 30.7 PP Minimums, Maximums, and Requirements

Planning Category – Key Minimums, Maximums, and Requirements	
Minimum Project Cost	\$20,000
Maximum: Individual Community, Project Costs	\$50,000
Maximum: Multi-Jurisdictional/Countywide, Project Costs	\$70,000
Local Matching Funds	<ul style="list-style-type: none"> <li>▪ Villages: 10% of CDBG Project Costs</li> <li>▪ Second Class Cities: 20% of CDBG Project Costs</li> <li>▪ Counties: 25% of CDBG Project Costs</li> <li>▪ First Class Cities: 30% of CDBG Project Costs</li> <li>▪ Multi-Jurisdictional: Match is determined by the classification of local unit of government participating in the application.</li> </ul>
General Administration	10% of CDBG project costs not to exceed \$3,000

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. At DED’s discretion, in-kind contributions, or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis.

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

Through additional planning, communities and counties will be able to better prepare for potential projects throughout the state. These planning efforts will help provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out processes that lead to successful projects that direct resources toward State priorities.

## PROGRAM NAME: CDBG | Public Works (PW) – Infrastructure

### Funding Sources:

CDBG funds

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

Within the Community Development Priority Need, CDBG funds will be utilized for public works projects. The purpose of the Public Works (PW) Opportunity Category is to provide for a broad range of investments to communities investing in effective and affordable infrastructure that address strategic long-term developments. This category recognizes the importance of the availability and condition of infrastructure. Funded projects shall develop the state’s communities and counties by providing residents with basic infrastructure with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the 2024 Program Year, all activities proposed in applications for CDBG funding in the PW Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele).

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

The Matrix below describes each selection criteria as a numerical score within the PW Category. The maximum number of points available within any application is 100 points. A minimum score of 50 points is required and some criteria require a minimum score as noted below. Refer to Appendix 1.3 –Application Cycle for the application due date.

Table 30.8 PW Selection Criteria Matrix

Selection Criteria	Maximum	Threshold Minimum
1. Need & Extent of the Problem	50	35
2. Citizen Participation	15	5
3. Project Impact	10	5
4. Project Readiness	10	5
5. Coordination with Other Funding Sources	10	-
6. Achievements	5	-
<b>Total</b>	<b>100 points</b>	<b>50 points</b>

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/CDBG>.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

## Describe threshold factors and grant size limits.

### Threshold Factors

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority
- The following activities are eligible within the PW Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

**Infrastructure:** Street improvements including curb, gutter; sidewalks; Storm sewer improvements; Flood control designed to influence or affect the flow in a natural water course such as a river, stream, or lake; Removal of architectural barriers for accessibility; Drainage improvements (e.g. retention ponds or catch basins); Water system improvements including source treatment; storage and/or distribution improvements; publicly owned sanitary sewer collection; treatment system improvements; storm sewers; fire hydrants; installation or replacement of water lines; and costs of street repairs (usually repaving) made necessary by water/sewer improvement activities.

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

- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG PW Category Table to confirm that the application meets the minimum threshold of 50 points required to be considered to receive CDBG funding.

### Grant Size Limits:

Table 30.9 PW Minimums, Maximums, and Requirements

<b>Public Works – Key Minimums, Maximums, and Requirements</b>	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration (maximum)	\$ 25,000
Construction Management (maximum)	\$ 5,000
Cost per Beneficiary Community Wide Activity (LMA – National Objective)	\$ 3,000
Match	<ul style="list-style-type: none"> <li>▪ Villages: 10% of CDBG Project Costs</li> <li>▪ Second Class Cities: 20% of CDBG Project Costs</li> <li>▪ Counties: 25% of CDBG Project Costs</li> <li>▪ First Class Cities: 30% of CDBG Project Costs</li> </ul>

**Match Requirements:**

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. At DED's discretion, in-kind contributions, or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis.

All activities funded with PW resources, except costs associated with supporting project costs and general administration, require a minimum cost-share as identified in the table above of the CDBG Project Funds requested (not including construction management or general administration).

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

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of infrastructure.

## PROGRAM NAME: CDBG | Public Works (PW) – Facilities

### Funding Sources:

CDBG funds

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

Within the Community Development Priority Need, CDBG funds will be utilized for public works projects. The purpose of the Public Works (PW) Opportunity Category is to provide for a broad range of investments to communities investing in effective and affordable facilities that address strategic long-term developments. This category recognizes the importance of the availability and condition of community facilities. Funded projects shall develop the state’s communities and counties by providing residents with basic facilities with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the 2024 Program Year, all activities proposed in applications for CDBG funding in the PW Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele).

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

The Matrix below describes each selection criteria as a numerical score within the PW Category. The maximum number of points available within any application is 100 points. A minimum score of 50 points is required and some criteria require a minimum score as noted below. Refer to Appendix 1.3 –Application Cycle for the application due date.

Table 30.10 PW Selection Criteria Matrix

Selection Criteria	Maximum	Threshold Minimum
1. Need & Extent of the Problem	50	35
2. Citizen Participation	15	5
3. Project Impact	10	5
4. Project Readiness	10	5
5. Coordination with Other Funding Sources	10	-
6. Achievements	5	-
<b>Total</b>	<b>100 points</b>	<b>50 points</b>

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/cdbg>.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.



## Describe threshold factors and grant size limits.

### Threshold Factors

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority
- The following activities are eligible within the PW Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

**Facilities:** Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, dependent care, primary health, and mental health care outpatient clinics; non-residential historic preservation; health facilities; youth centers; facilities for persons with disabilities; Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries; Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered “public facilities” and thus eligible); Removal of architectural barriers for accessibility; and Tornado-safe shelters in manufactured home parks (Containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado).

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

- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG PW Category Table to confirm that the application meets the minimum threshold of 50 points required to be considered to receive CDBG funding.

### Grant Size Limits:

Table 30.11 PW Minimums, Maximums, and Requirements

Public Works – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration (maximum)	\$ 25,000
Construction Management (maximum)	\$ 5,000
Cost per Beneficiary Community Wide Activity (LMA – National Objective)	\$ 3,000 \$10,000 for Child Care Centers
Match	<ul style="list-style-type: none"> <li>▪ Villages: 10% of CDBG Project Costs</li> <li>▪ Second Class Cities: 20% of CDBG Project Costs</li> <li>▪ Counties: 25% of CDBG Project Costs</li> <li>▪ First Class Cities: 30% of CDBG Project Costs</li> </ul>

**Match Requirements:**

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. At DED's discretion, in-kind contributions, or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis.

All activities funded with PW resources, except costs associated with supporting project costs and general administration, require a minimum cost-share as identified in the table above of the CDBG Project Funds requested (not including construction management or general administration).

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

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of facilities.

## PROGRAM NAME: CDBG | Tourism Development (TD)

### Funding Sources:

CDBG funds

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

Within the Economic Development Priority Need, CDBG funds will be utilized for tourism development projects. The purpose of the Tourism Development (TD) Category is to provide investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective.

During the 2023 Program Year, all activities proposed in applications for CDBG funding in the TD Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Jobs (LMJ), LMI Limited Clientele (LMC)) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

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

The Matrix below describes each selection criteria as a numerical score within the TD Category. The maximum number of points available within any application is 90 points. A minimum score of 40 points is required and some criteria require a minimum score as noted below. Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons. When more than one application is under review, those ranking highest in competitive order shall be selected for funding subject to the amount of funds available for each priority. Otherwise, an applicant under individual review scored according to the selection criteria and must meet the minimum threshold for consideration for approval. Refer to Appendix 1.3 –Application Cycle for the application due date.

Table 30.12 TD Selection Criteria Matrix

Selection Criteria Matrix – Category	Maximum	Threshold Minimum
Project Need	20	10
Project Impact	20	10
Project Readiness	25	10
Community Support	25	10
<b>Total</b>	<b>90 points</b>	<b>40 points</b>

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

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/cdbg>.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

## Describe threshold factors and grant size limits.

### Threshold Factors

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible: Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority. The following activities are eligible within the TD Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

Historic Restorations, with priority buildings and sites being those that are listed on the National Register of Historic Places; Parks, recreational facilities; Direct financial assistance to for profit businesses; Scientific and Educational Interpretive Educational Sites & Facilities; Participatory Sports Facilities; Convention Centers; Cultural and Heritage Recreational Sites and Facilities; supporting activities that include removal of material and architectural barriers that restrict the mobility and accessibility to sites/facilities for the elderly and severely disabled individuals in support of eligible tourism activities.

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

- Applicant has no significant, unresolved audit finding
- Applicant has no legal actions underway that may significantly impact its capacity
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan
- Applicant has adopted an authorizing participation resolution
- Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Matrix – CDBG TD Category Table to confirm that the application meets the minimum threshold of 40 points required to be considered to receive CDBG funding.

### Grant Size Limits:

Table 30.13 TD Minimums, Maximums, and Requirements

Tourism Development Category – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of CDBG Project Costs, not to exceed \$25,000
Construction Management	\$5,000
Local Matching Funds	25% of CDBG Project Costs
Public Benefit Standards per FTE (LMJ Only) – Maximum	\$35,000

**Match Requirements:**

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. At DED's discretion, in-kind contributions, or services such as materials, labor, or other items that are directly related to the project, may be considered on a case-by-case basis.

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

Additional tourist attractions funded by Tourism Development activities will increase opportunities throughout the state for persons within the communities where the projects are located and for those persons visiting the attractions.

## **PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Organizational Operating Program**

### **Funding Sources:**

HOME Program

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

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to Community Housing Development Organizations (CHDOs) on an annual basis through a non-competitive application process. The noncompetitive funding process is open to eligible state designated community housing development organizations. HOME Program funds are set aside funds to be used for CHDO Organizational Operating. Funds are distributed statewide.

Permissible uses of HOME Funds awarded to the CHDO for organizational operating expenses are for reasonable and necessary costs for the operation of the CHDO as specified in §92.208, including:

1. salaries, wages, benefits, and other employee compensation.
2. employee education, training, and travel.
3. rent and utilities.
4. communication costs.
5. taxes and insurance; and
6. equipment, materials, and supplies.

Within the Housing Priority Need, HOME Program funds will be utilized for eligible CHDO operating funds throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs). An organization receiving funds under the CHDO Operating Open Cycle, cannot also receive a grant under the CHDO Activity set-aside in the same program year.

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

Eligible applicants include regionally based non-profit 501(c)(3), 501(c)(4) housing organizations, or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

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

#### HOME PROGRAM GUIDELINES/ELIGIBILITY CRITERIA:

- Proposals will be evaluated in accordance with the established evaluation criteria for each type of project.
- Priority will be given to projects located in non-HOME entitlement localities, CHDO projects, and special needs projects in accordance with the housing needs assessment and market analysis.
- The eligibility of projects/ households for HOME assistance varies with the type of funded activity.
- HOME assisted households' income must not exceed 80 percent of the AMI.
- HOME income limits are published each year by HUD

Applicants who have outstanding audits or monitoring findings, unresolved IRS findings, and/or are not in compliance with previous DED agreements are ineligible for funding. Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the State of Nebraska. Please note that HOME compliance requirements apply. Other funding source requirements must be compatible with HOME program requirements.

The CHDO application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored. with an award maximum of \$50,000. As long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year (this also includes organizational support and housing education provided under Section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under Section 92.208(a)). For application due dates see Appendix 1.3.

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

All qualified applications will be ranked based on the scoring criteria published in the Request for Proposals (RFP) or Notice of Funding Availability (NOFA). Successful applicants will receive a funding commitment from the DED based on project needs, up to the amount of funds available for the funding round. Per-project funding limitations are published in the applicable application, RFP or NOFA.

Complete application guideline information will be made available within the CHDO Operating Open Cycle Application. The Guidelines will provide specific details on the application questions, , threshold requirements, and any other necessary items. This information will be available on the DED website at: <https://opportunity.nebraska.gov/programs/housing/home/> after July1, 2024

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

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Operating Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked against all eligible applications. The award maximum is \$50,000.

If there are not enough qualifying applications to fund in the HOME CHDO Operating Cycle annually, funds may be moved to another HOME funding category to ensure timely allocation of funds.

## Describe threshold factors and grant size limits.

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will certify/recertify nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The following criteria will be verified by DED:

1. HOME CHDO applicant's eligibility on sam.gov.
2. Applicant is eligible (non-profit: proof of non-profit status and Certificate of Good Standing).
3. The activity, project and property type are eligible and comply with HOME regulations.
4. Applicant has addressed all outstanding compliance and/or monitoring issues Applicant is current with all reporting requirements of existing awards throughout the Department.
5. Applicant has shown significant progress (including expenditures through drawdowns) on prior HOME CHDO awards. In general, DED will review projects that have been previously funded.
6. Applicant successfully completed the Eligibility Certification or Re-certification process.
7. All required documents are uploaded and reviewed for content and meet program requirements.
8. .
9. Budget is complete, clear, and correct.
10. All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with writing binding commitments at application.
11. All monitoring findings have been cleared
12. Compliant with all current contracts
13. Conformance with all original project timelines or has obtained department approvals for revisions or amendments to their project timelines
14. For all previous funded projects, environmental clearances have been obtained and scope of work as begun
15. Applicant has not existing contracts in which project completion reports and data have not been submitted and accepted by DED within 60 days of a final draw
16. Applicant has no current contract in which funds have not been drawn for 6 months
17. Applicant with contracts in their twenty-fourth (24th) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated
18. Applicant has no outstanding or unresolved contractual, property or beneficiary-related compliance issues Failure of the applicant to meet all the threshold requirements (threshold



questions) will result in the Application not being approved or funded during the 2024 HOME CHDO Cycle

19. The applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: [www.sam.gov](http://www.sam.gov);
20. And all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application.

State Certified/Recertified CHDOs will be selected through the HOME CHDO application process. The CHDO Operating Cycle grant maximum is \$50,000.

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

The HOME CHDO Operating Program will aid organizations in developing a HOME CHDO eligible homebuyer activity for lower-income households. The department will use its HOME allocation for program funding to increase the capacity of the applicant. The department anticipates assisting two (2) organizations with HOME CHDO Operating funds.

## **PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Program**

### **Funding Sources:**

HOME Program

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

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to Community Housing Development Organizations (CHDOs) on an annual basis through a non-competitive application process. The noncompetitive funding process is open to eligible non-profit organization and state designated community housing development organizations. HOME Program funds are used to provide flexible, below-market-rate loans to projects that create or preserve affordable housing for lower-income households. Eligible activity types include homeownership development, homebuyer assistance, acquisition, and new construction). Funds are distributed statewide.

Within the Housing Priority Need, HOME Program funds will be utilized for eligible CHDO homebuyer activities throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs). An organization receiving funds under the CHDO Activity set-aside, cannot also receive a CHDO Operating Grant in the same program year.

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

Eligible applicants include regionally based non-profit 501(c)(3), 501(c)(4) housing organization, or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The HOME CHDO Program will be implemented by the HOME Investment Partnerships (HOME) Program within DED. The HOME Program will utilize a separate application open cycle titled the "CHDO Cycle." HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

#### **HOME PROGRAM GUIDELINES/ELIGIBILITY CRITERIA:**

- Proposals will be evaluated in accordance with the established evaluation criteria for each type of project.
- Priority will be given to projects located in non-HOME entitlement localities, CHDO projects, and special needs projects in accordance with the housing needs assessment and market analysis.
- The eligibility of projects/ households for HOME assistance varies with the type of funded activity.
- HOME assisted households' income must not exceed 80 percent of the AMI.

- HOME income limits are published each year by HUD

Applicants who have outstanding audits or monitoring findings, unresolved IRS findings, and/or are not in compliance with previous DED agreements are ineligible for funding. Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the State of Nebraska. Please note that HOME compliance requirements apply. Other funding source requirements must be compatible with HOME program requirements.

The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and recommended for award, with a grant maximum of \$650,000, and organizational operating maximum of \$20,000. For application due dates see Appendix 1.3.

All qualified applications will be ranked based on the scoring criteria published in the Request for Proposals (RFP) or Notice of Funding Availability (NOFA). Successful applicants will receive a funding commitment from the DED based on project needs, up to the amount of funds available for the funding round. Per-project funding limitations are published in the applicable application, RFP or NOFA.

Complete application guideline information will be made available within the CHDO Program Open Cycle Application. The Application will provide specific details on the Application questions, , threshold requirements, and any other necessary items. This information will be available on the DED website at: <https://opportunity.nebraska.gov/programs/housing/home/>.

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

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Program Application Cycle. The CHDO Program Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked against all eligible applications. The three highest scoring applications will be recommended for award, with a grant maximum of \$650,000, and organizational operating maximum of \$20,000.

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

### Describe threshold factors and grant size limits.

Eligible applicants include regionally based non-profit 501(c)(3), 501(c) (4, or section 905 (subordinate organization of a 501(c) organization) housing organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will certify/recertify nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The following criteria will be verified by DED:

1. HOME CHDO applicant's eligibility on sam.gov.

2. Applicant is eligible (non-profit: proof of non-profit status and Certificate of Good Standing).
3. The activity, project and property type are eligible and comply with HOME regulations.
4. Applicant has addressed all outstanding compliance and/or monitoring issues.
5. The amount of HOME funds invested per unit does not exceed the program limits and is at least \$1,000/unit.
6. Applicant has certified that all development will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances.
7. FOR CHDO PROJECTS ONLY - If the project involves new construction and/or subdivision infrastructure development (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved), please attach a development pro forma detailing incremental development.

Note: Projects involving New Construction and/or Subdivision Infrastructure will be required to complete the following steps prior to a Notice of Release of Funds or prior to a stage mutually agreed upon by the applicant and DED during contract negotiations. These steps include:

- a. The site(s) must be reviewed and approved by DED housing staff prior to any activity occurring, including land purchase. The awardee must request a site review from their DED Program Representative no later than 60 days prior to purchase. <https://opportunity.nebraska.gov/program/home/#guidelines>
  - b. Site Plan and Preliminary Architectural Designs must be reviewed and approved by DED Program Representative prior to any activity occurring, including land purchase.
  - c. A final Development Pro Forma based upon the approved site, site plan, and preliminary architectural designs must be reviewed and approved by the DED Program Representative prior to any activity occurring, including land purchase.
8. If you are proposing a lease-purchase project, attach the proposed lease agreement.
  9. Fair Housing – FOR CHDO HOUSING DEVELOPMENT PROJECTS ONLY provide an explanation of the Fair Housing Act and Section 504 accessibility requirements applicable to the project. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met and/or be exceeded. Requirements are not limited to project design. DED may consult other agencies to review the project for compliance with these requirements.
  10. Applicant is current with all reporting requirements of existing awards throughout the Department.
  11. Applicant has shown significant progress (including expenditures through drawdowns) on prior HOME CHDO awards. In general, DED will review projects that have been previously funded.
  12. Applicant successfully completed the Eligibility Certification or Re-certification process.
  13. All required documents are uploaded and reviewed for content and meet program requirements.
  14. Pro forma is uploaded in excel format.
  15. Budget is complete, clear, and correct.
  16. All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with writing binding commitments at application.
  17. All monitoring findings have been cleared
  18. Compliant with all current contracts
  19. Conformance with all original project timelines or has obtained department approvals for revisions or amendments to their project timelines
  20. For all previous funded projects, environmental clearances have been obtained and scope of work as begun
  21. Applicant has not existing contracts in which project completion reports and data have not been submitted and accepted by DED within 60 days of a final draw
  22. Applicant has no current contract in which funds have not been drawn for 6 months
  23. Applicant with contracts in their twenty-fourth (24th) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated
  24. Applicant has no outstanding or unresolved contractual, property or beneficiary-related compliance issues Failure of the applicant to meet all the threshold requirements (threshold questions) will result in the Application not being scored or funded during the 2023 HOME CHDO Cycle
  25. The proposed beneficiaries are eligible; the amount of CHDO funds invested per unit does not exceed the program limits and is at least \$1,000/unit;
  26. Applicant has certified that all development or rehabilitation will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances;
  27. The applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: [www.sam.gov](http://www.sam.gov); and

28. All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application.

State Certified/Recertified CHDOs will be selected through the HOME CHDO Program application process. The program costs maximum is \$650,000, and the organizational operating maximum is \$20,000.

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

Through the HOME CHDO Program additional housing units will be occupied by LMI persons throughout the state. The additional number of affordable housing units will be quantified within the Consolidated Annual Performance Evaluation Report under the “Housing Program” Goal that is completed after the conclusion of the previous Program Year.

The Department will use its HOME allocation for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households.

## **PROGRAM NAME: HOME Rental Program**

### **Funding Sources:**

HOME Program

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

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to 501(c)(3), 501(c)(4), for-profit developers, and local or regional Housing Authorities on an annual basis through competitive joint application cycles with Nebraska Investment Finance Authority (NIFA). Funds are distributed statewide.

Within the Housing Priority Need, HOME funds will be utilized for rental housing (both new construction and rental rehabilitation) through the joint application processes between NIFA and DED. NIFA will provide an allocation of Low-Income Housing Tax Credits (LIHTCs) and DED provides HOME funds to those applicants needing HOME resources for gap financing to make their tax credit projects feasible. The NIFA/DED joint application that comprises of a tax credit rental development program that uses 9% tax credits, or 4% tax bonds combined with other resources to provide affordable housing to low-income persons, at or below 60% of the Area Median Income, throughout the state. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional greater opportunity for DED to be able to invest HOME funds into quality multi-family rental projects, single-family rental projects, and rental rehabilitation projects to increase the supply of rental housing available for eligible households. All areas of Nebraska are eligible for these rental projects, including the participating jurisdictions of Omaha and Lincoln.

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

Eligible applicants include c 501(c)(3), 501(c)(4), for-profit developers, and local or regional Housing Authorities. 501(c)(3), 501(c)(4) non-profit organizations must include affordable housing in their mission. These applicants may partner with rental housing developers and must include housing in their mission in order to complete the joint NIFA/DED application.

NIFA administers the application process that begins with the completion of a Qualified Allocation Plan (QAP). The QAP provides details on the LIHTC allocation process. Further information and details can be found within the QAP at: <https://www.nifa.org/res-dev/application>.

A joint NIFA/DED application is completed online in order for eligible applicants to apply for LIHTCs and HOME resources. The NIFA/DED application includes a variety of detailed selection criteria which include, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. Within the joint NIFA/DED LIHTC 4% tax bond and 9% tax credit cycles, a portion of HOME resources will be utilized. One cycle will be available the 4% bond round and two cycles will be available for the 9% LIHTC. The 4% and 9% LIHTC program cycles are competitive cycles for applicants throughout the State of Nebraska and the second cycle is the CRANE cycle which gives preference to special needs populations as defined within the CRANE application. Participation in the NIFA/DED joint application will occur as long as the funding is available to fund projects. DED reserves the right to not participate in a joint application

round if HOME funds are depleted. Applications can be found on NIFA's website at:  
<https://www.nifa.org/res-dev/application>



The following selection criteria, all given equal consideration, will be used to evaluate HOME Rental Applications:

### **Effective Use of HOME Funds (for developments applying for HOME Program funds)**

Prior to the scoring team meeting, NDED will independently evaluate each of the applications, which include a request for State HOME Program funds. This evaluation will be based upon the information contained in the joint NIFA/NDED application to ensure that the following items are satisfied:

- a) Site plans have been prepared which are appropriate for the development and development's location;
- b) Applicant has obtained appropriate site control;
- c) All subsidies needed for the development are in place or applicant has provided sufficient documentation that all subsidies are obtainable;
- d) A syndicator has provided a firm commitment to the applicant for the development which includes firm pricing with a range no greater than \$0.05;
- e) Construction financing has been secured for the development;
- f) Permanent financing has been secured for the development (if permanent financing is required);
- g) The Development Worksheets submitted by the applicant evidence that the financing terms and debt service coverage will provide for long term sustainability of the development; and
- h) The request for HOME/HTF funds does not exceed 25% of the total development costs.
- i) Efficient Housing Production for HOME/HTF Funds will be evaluated by cost per unit, cost per residential finished square foot (not including garages, unfinished basements, and storage areas), and HOME/HTF per occupant.
- j) Each project will be evaluated in accordance to 24 CFR 92.250.

- NDED will work and notify applicants prior to the full application deadline if NDED has approved the project site.

- NDED will provide the scoring team with a list of developments that it's prepared to fund based on the criteria set forth in the QAP, Annual Action Plan and Program Guides. NDED will issue a notice of intent to Applicants requesting HOME funding based on the final ranking made by the scoring team, approval by NDED Directors, and the NIFA Board of Directors, as funds are available.

- NDED reserves the right to reduce the amount requested regardless of ranking. For HOME, it is required that the Applicant provide a commitment letter from an alternative source for the balance of the \$500,000 in the event that the Applicant does not receive full funding.

Refer to Appendix 1.3 for application deadlines.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for LIHTC/HOME. All applicants follow the application cycles and guidelines as outlined on NIFA's website found at <https://www.nifa.org/res-dev/application>. All applicants will need to meet underwriting requirements to be considered for funding. After determining that applicants meet underwriting requirements, the applications are scored and ranked against other eligible projects. HOME funding will

begin with the highest ranked joint applications and continue down the list until the HOME Funds have been fully awarded to eligible applicants. To receive HOME Funding, the application needs to receive tax credits from the LIHTC program through NIFA.

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

### Describe threshold factors and grant size limits.

Only eligible HOME applicants can apply for HOME resources within the NIFA/DED application cycles. Several Threshold Exhibits are required during the application process that include architectural plans; an affirmative marketing plan; site control; site visit approval for HOME funded projects; subsidy information; investor letters; financing documentation; development worksheets; and other information (all of which is noted within the NIFA/DED application as mentioned above).

Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2023 and prior NIFA/DED Joint Application (HOME Program Year 2022 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HOME funds in the 2024 NIFA/DED Joint Application (HOME Program Year 2024).

The recommended HOME award maximum will be \$750,000; however, DED staff will work closely with applicants in order to determine the availability of HOME funds for any given project.

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

HOME resources, combined with LIHTCs, will create additional rental housing throughout the state. These additional units will serve low-income persons at or below 60% of the Area Median Income. These additional affordable housing units will remain affordable to low-income persons for up to 20 years.

## **PROGRAM NAME: National Housing Trust Fund (HTF)**

### **Funding Sources:**

HTF funds

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

Within the Housing Priority Need, HTF funds will be utilized for affordable, multi-family and single-family rental housing (both new construction and rental rehabilitation) made available to extremely low-income (ELI) persons on an area basis.

Eligible applicants may apply based upon one of three application types:

Nebraska will reserve a portion of the State's annual HTF allocation for multi-family rental projects, single-family rental projects, and rental rehabilitation projects in coordination with Nebraska Investment Finance Authority (NIFA) through the joint NIFA/DED application cycles for Low-income Housing Tax Credits (LIHTC) within the 9% tax credit and the 4% tax bond cycle. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional opportunity for DED to invest HTF funds into quality multi-family rental projects, single-family rental projects, and rental rehabilitation projects in order to increase the supply of rental housing available for ELI persons.

The joint NIFA/DED application consists of three application cycles. One cycle is available for the 4% tax bond round. Two cycles are available for 9% tax credits. The 9% tax credit application cycles consist of a competitive cycle for applicants throughout the State of Nebraska and the CRANE cycle, which gives preference to special needs populations as defined within the CRANE application.

NIFA will provide LIHTC allocations and DED will provide HTF funds to eligible applicants needing resources for gap financing to make projects feasible. The tax credit rental development program uses LIHTC combined with other resources to provide affordable housing to extremely low-income persons, at or below 30% of the Area Median Income. HTF funds will be distributed statewide. This allocation will be referred to as the "LIHTC Set Aside". Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

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

Nebraska will allocate the remainder of the State's HTF annual allocation for permanent housing projects for the homeless, persons at risk of homelessness and other special needs populations. These funds will be made available for multi-family rental projects, single-family rental projects and rental rehabilitation projects within the Omaha CoC, Lincoln CoC and the BoS CoC. This allocation will be referred to as the "Permanent Housing Set Aside". Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

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

Nebraska will distribute HTF funds through an open application cycle by selecting applications submitted by eligible recipients. Eligible recipients include local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations, local units of government, for-profit developers, non-profit housing providers, redevelopment organizations or public housing authorities. To be eligible for HTF assistance, a recipient must:

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

The HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. Applicants will need to meet threshold criteria to be considered for funding. Applications will be scored on 70 points with equal consideration given to the following categories: Geographic Diversity; Ability to Obligate Funds; Timeliness; Project Based Rental Assistance ELI; Affordability Period; Priority Housing Needs; and Non-Federal Funding Sources.

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

Table 30.17 HTF Selection Criteria Matrix

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

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

In addition, Nebraska will distribute HTF funds through the joint application with NIFA. NIFA administers the application process beginning with the completion of a Qualified Allocation Plan (QAP). The QAP provides details on the LIHTC allocation process. Further information and details can be found within the QAP located at: <https://www.nifa.org/developers-property-managers/lihtc-ahtc>.

A joint NIFA/DED application is completed online by eligible applicants to apply for LIHTC in combination with HTF resources. The joint application includes a variety of detailed selection criteria which includes, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. Within the joint NIFA/DED application cycles, a portion of HTF resources will be utilized. Participation in the joint NIFA/DED application will occur as long as funding is available for projects. DED reserves the right to not participate in a joint application round if HTF funds are depleted. Applications are located on NIFA's website at: <https://www.nifa.org/developers-property-managers/lihtc-apply>.

Refer to Appendix 1.3 for application deadlines.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the HTF program.

Nebraska will reserve a portion of the State's annual HTF allocation for affordable multi-family rental projects, single-family rental projects and rental rehabilitation projects in coordination with the Nebraska Investment Finance Authority's (NIFA) through the joint NIFA/DED application cycles for Low Income Housing Tax Credits within the 9% tax credit cycle and the 4% tax bond cycles. This allocation will be referred to as the "LIHTC Set Aside".

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

Nebraska will allocate a portion of the State's annual HTF allocation for targeted needs rental housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale multi-family rental projects, single-family rental projects and rental rehabilitation projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the "Targeted Needs Set Aside".

Funds not utilized within this category may be utilized within the other set asides for the State to timely distribute HTF funds.

Nebraska will allocate the remainder of the State's HTF annual allocation for permanent housing projects for the homeless, persons at risk of homelessness and other special needs populations. These funds will be made available for multi-family rental projects, single-family rental projects and rental rehabilitation projects within the Omaha CoC, Lincoln CoC and the BoS CoC. This allocation will be referred to as the "Permanent Housing Set Aside".

Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

### Describe threshold factors and grant size limits.

Only eligible HTF applicants can apply for HTF resources within the joint NIFA/DED application cycles and the HTF Open Cycle. A number of Threshold Exhibits are required during the application process that include: architectural plans; an affirmative marketing plan; site control; site review approval for HTF funded projects; subsidy information; investor letters; financing documentation; development

worksheets; and other information (all of which is noted within the NIFA/DED joint application as mentioned above).

Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2023 and prior NIFA/DED Joint Application (HTF Program Year 2022 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HTF funds in the 2024 NIFA/DED Joint Application (HTF Program Year 2023).

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

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the seven housing selection criteria, and includes the following information, unless waived by DED for good cause. Applications missing any of the following threshold items after the application submittal will be deemed incomplete and the applicant will be notified. In the Targeted Needs set-aside and the Permanent Housing set-aside, reasonable time will be given to the applicant to submit the missing information.

Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:

- Required application forms submitted: all required DED-provided forms for current year application will be posted on the DED website prior to the beginning of the application cycle.
- Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
- Applicants must comply in all respects with DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.
- Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.
- Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
- Demonstrate the financial feasibility of the project.
- Certify that housing assisted with HTF funds will comply with HTF requirement.
- Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.
- All applicants will need to meet underwriting requirements to be considered for funding. After determining that applicants meet underwriting requirements, the applications are scored and ranked against other eligible projects.

HTF funding will be dependent on the type of program in which the applicant applies. Refer to Appendix, Section 1.2 for the distribution of the allocation for the HTF program. There is no maximum grant limit

within the set amount per set-aside and/or within the joint application with NIFA. DED staff will work closely with applicants in order to determine the availability of HTF funds for any given project.

**Other threshold factors include:**

**Maximum Per-unit Development Subsidy Amount**

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

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

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

It is anticipated that housing units for ELI persons (30% AMI or lower) will be created and retained throughout the state and additional permanent supportive housing and special needs housing will be made available. These additional affordable housing units will remain affordable to low-income persons for up to 30 years.

## **PROGRAM NAME: HOPWA Program**

### **Funding Sources:**

HOPWA funds

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

Within the HOPWA Services Priority Need, HOPWA funds will be utilized to provide supportive services to persons, and their families, with HIV/AIDS that include: case management services with medical and self-sufficiency components; outreach to HIV+ homeless persons/families and homeless service providers; emergency rental/mortgage assistance; utility assistance; tenant-based rental assistance (TBRA); permanent housing placement (including first/last month's rent, security deposits, rental application fees); housing information services and resource identification; and for the maintenance of case management software system, purchased in June 2020. The case management software system is utilized by both HOPWA and Ryan White Part B Program staff and the project sponsor.

The HOPWA Program prioritizes outreach to the chronically homeless and homeless persons, and their families, living with HIV/AIDS in order to help address their housing, supportive services, and medical needs.

DHHS provides HOPWA resources to the Nebraska AIDS Project (NAP), the HOPWA Project Sponsor, in order to carry out activities throughout the state. The strategy of the program is to support and facilitate NAP's participation and involvement in the seven regional Continuum of Care (CoC) Committees. DHHS participates on the Statewide Continuum of Care Committee. It is the goal of HOPWA staff to coordinate with ESG Program staff and homeless service providers in order to coordinate homeless activities. These collaborations will help to ensure that the special needs of persons living with HIV/AIDS in Nebraska will be represented at both the regional and the state level planning processes.

The HOPWA Program also participates in the Nebraska HIV CARES committee which consists of HIV/AIDS medical providers, service providers, consumers, and other members of the public. Several of the members of the NE HIV CARES are representatives of the Nebraska Red Ribbon Community. The Nebraska Red Ribbon Community is a diverse group of individuals located in various geographic regions across Nebraska. This diverse group of persons living with HIV/AIDS collaborate with DHHS to enhance and enrich the lives of HIV positive persons. In addition, the HOPWA Program Manager works closely with the Ryan White Part B Program Manager, the AIDS Drugs Assistance Program Manager and the Ryan White All Parts Committee members to coordinate services for persons living with HIV/AIDS. Committee meetings are held three times per year. The HOPWA Program works with the Nebraska Housing Developers Association (NHDA) to continue RentWise training to HOPWA clients across the state.

If the needs exceed the funding available, a waiting list may be developed to ensure all eligible individuals may be served in the future when funds are available. Additionally, Project Sponsor may cap STRMU payments to FMR and limit receipt to a maximum of less than 21 weeks if needed. For the period covered by the 2024 AAP, NAP has chosen to limit STRMU assistance to a maximum of 12 weeks during the 52-week period.

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



Nebraska AIDS Project (NAP) is an AIDS service organization in Nebraska that provides case management services statewide to persons living with HIV. DHHS awarded HOPWA funds to NAP after completing a

Request for Application (RFA) in February 2021. Requirements of the contract with NAP include provision of case management and supportive services to eligible HOPWA clients. Other requirements include the assurance of confidentiality, ensuring that all persons who qualify for assistance know of the program, assuring ongoing programmatic and financial monitoring and maintaining reporting requirements. The project sponsor is required to be compliant with federal and state regulations.

### Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)

Within Nebraska, the Nebraska AIDS Project (NAP) an AIDS Service Organization that provides case management services statewide to persons living with HIV/AIDS. DHHS awarded HOPWA funds to NAP after completing a Request for Application (RFA) in February 2021 NAP serves as the project sponsor for the HOPWA Program and has offices located in Omaha, Lincoln, Kearney, Norfolk, and Scottsbluff.

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

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the HOPWA program. The majority of resources will be awarded to the Nebraska AIDS Project to administer the HOPWA Program. DHHS will adjust the estimated proposed allocation of HOPWA to match the actual allocation amounts from HUD. The budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

HOPWA funds will be used to support the goal of reducing homelessness and increasing housing stability for special needs populations through the activities below. Programs identified with AID are those operated and managed by the Nebraska AIDS Project (NAP).

#### DHHS HOPWA FY2023

Formula (State) Administrative: \$25,453.77

\*Housing Information Services: \$24,690.00

Total: \$50,144

#### NAP HOPWA FY2024

Formula Administrative AID: \$55,882.00

Supportive Services AID: \$151,525.00

Permanent Housing Placement AID: \$43,000

Resource Identification AID: \$5,000.00

Hotel/Motel Vouchers AID: \$5000.00

Short-term Rent/Mortgage AID: \$227,849

Long-term Rent AID: \$310,060

Total: \$798,316

\*\$24,690 is being reserved to maintain the case management software. This figure may be reduced due to being prorated between the HOPWA program and the Ryan White Program.

### Describe threshold factors and grant size limits.

Services provided by Nebraska's HOPWA program are limited to services that can be delivered under the funding allocation the program receives and provides to Nebraska AIDS Project. There are no State dollars provided to the HOPWA program. Other threshold factors will be defined by DHHS in collaboration with NAP through the implementation of HOPWA services.

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

Through HOPWA resources needed services will be provided to persons living with HIV/AIDS and their families throughout the state, including emergency rent and mortgage assistance, permanent housing

placement, short-term facility based housing (hotel/motel vouchers only) and tenant-based rental assistance.

## **PROGRAM NAME: Nebraska Homeless Assistance Program (NHAP)**

### **Funding Sources:**

ESG funds and HSATF resources

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

The allocation priorities, statewide funding, and Homeless Services Priority Needs influence the methods of distribution for NHAP funding. ESG and HSATF funds will be utilized for activities that provide a comprehensive approach to address the needs of people who are homeless or at risk of homelessness in Nebraska. These activities are intended to: assist in the prevention and alleviation of homelessness; provide temporary or permanent housing for individuals who are homeless; and to encourage the development of projects that link housing assistance programs with efforts to promote self-sufficiency.

The statewide CoC system has been developed to help ensure that people who are homeless or at risk of homelessness can access needed emergency shelter, street outreach, homelessness prevention, and rapid rehousing services in each of the 93 counties in Nebraska. NHAP is the recipient of the ESG funds for the BoS CoC. ESG funds . The available ESG funds for Homeless Services, as identified in the Appendix 1.2 2024 Estimated Categorical Distribution Table, are allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. NHAP is also the recipient of HSATF funds. NHAP utilizes HSATF funds as the required match for the ESG funds. Per 24 CFR 576.201(a), DHHS is not required to match the first \$100,000 of the ESG grant. The benefit is passed to the agencies as NHAP provides the ESG match through HSATF. The matching HSATF funds are also allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. HSATF funds allocated for Region 6 and for the City of Omaha are not utilized as matching funds for ESG. Eligible applicants apply for ESG and HSATF funding through a competitive application developed by NHAP in Regions 1 through 5 and Region 7. NHAP regional funding is based on the HUD Preliminary Pro Rata Need (PPRN) formula with a hold-harmless base. The formula helps ensure an equitable distribution of funds throughout the entire state. The formula is calculated using a \$50,000 base 'hold harmless' funding amount per geographic region; HUD's annual CoC pro-rata amounts; and consideration of statewide service continuity. The City of Omaha eligible applicants apply for HSATF funding through the regular NHAP competitive application process and apply separately to the City of Omaha for ESG funds allocated to the region. NHAP subcontracts with the City of Lincoln to allocate non-matching HSATF funds in Region 6 in combination with the City of Lincoln's ESG funding.

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

NHAP adopted a three-year funding cycle in 2024. The first year involves a competitive application process that is open to any eligible applicant, including units of local government and faith-based organizations. The second and third year is an optional renewal process for only existing NHAP recipients in good standing. For the 2024-2025 grant cycle, NHAP is in the first year of the three-year funding cycle. See <http://dhhs.ne.gov/Pages/Homeless-Assistance.aspx> for further information regarding the regulations and resources for providers interested in applying. NHAP funding is limited. Thus, the application process is very competitive.

The 2024-2025 NHAP request for application (RFA) is released almost six (6) months prior to the program's period of performance (see Appendix 1.3 2024 Application Cycles). Applicants submit an extensive application, which includes information on the applicant's: experience; fiscal stability; performance

measures; strategies for meeting federal program requirements; ability to meet the needs of the targeted populations in their community; support for self-sufficiency of program participants; coordination with mainstream services; collaboration with other homeless providers; participation in Coordinated Entry; adherence to the Housing First model; and ability to meet projected outcomes for program participants. Performance measures include the percentage of exits to positive housing destinations, the percentage of increases in cash and non-cash benefits, and the percentage of returns to homelessness.

Teams of independent reviewers score the applications using a point-systems based upon to measure the applicant's organizational overview, work plan, budget, performance outcomes, and quality of the application. Funding is awarded based on the applicant's overall score, the applicant's ability to meet performance metrics, the identified need for services within the region, and alignment with the statewide plan to end homelessness.

Also, NHAP subrecipients are monitored for program compliance and fiscal management. NHAP conducts these monitors through quarterly fiscal reviews and monitoring visits. Feedback from the monitors is shared with the subrecipients and any corrective actions are noted. In the coming year, NHAP plans to collaborate with the monitoring agencies for the entitlement cities in Nebraska (Omaha & Lincoln). Monitoring results are considered when making final funding determinations.

**Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)**

The State NHAP (ESG/HSATF) funds are awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website, and the Requests for Applications are distributed via each regional coalition email list. Funding by geographic region is announced before the application process. Regional coalitions meet to discuss who will be applying for funds and to discuss funding requests. This meeting helps ensure an inclusive array of services is provided in the region and the applications received meet the service needs of each geographical region. The eligible applicants are units of general local government and private non-profits, including faith-based organizations.

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

ESG and matching HSATF funds may be allocated among the HUD ESG-eligible activities including emergency shelter, homelessness prevention, rapid rehousing, street outreach, HMIS, and administration. The estimated allocations are determined by program activity needs as presented in the NHAP application and evaluation of data within the CoC regions. NHAP tracks and calculates activity budget requests to ensure funding allocation for street outreach and emergency shelter does not exceed 60% of Nebraska's ESG obligation per 24 CFR 576.100(b)(1). Per 24 CFR 576.100(c), the State reserves 7.5% of ESG funds for administrative costs.

NHAP reserves \$75,000 annually of the HSATF funds to be distributed in the event an emergency or a discretionary need is identified. All activities requested to be funded must comply with the ESG program requirements identified in the Code of Federal Regulations Title 24 Part 576. If discretionary or emergency funds are not necessitated within the program year, the established set-aside funds of \$75,000 are allocated for the subsequent fiscal year to maintain the discretionary or emergency fund. NHAP reserves \$75,000 annually of the HSATF funds for administrative costs.

### Describe threshold factors and grant size limits.

NHAP regional funding is based on the HUD Preliminary Pro Rata Need (PPRN) formula with a hold-harmless base. The formula helps ensure an equitable distribution of funds throughout the entire state. The formula is calculated using a \$50,000 base 'hold harmless' funding amount per geographic region; HUD's annual CoC pro-rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee. If applying the formula results in significant fluctuations in funding over the prior year for one or more of the regions, adjustments may be made to reduce the impact of the change in available funding by region.

At present, DHHS does not have grant limits per sub-recipient agency established for NHAP funds. DHHS attempts to achieve equitable distribution of grant awards by considering multiple factors in funding decisions, such as: available funds; identified service gaps/community needs; the number of requests; prior funding information; and the current application. The NHAP review team scores applications.

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

Through the method of distribution, it is expected that NHAP funded providers will reduce the recidivism rate and increase the number of individuals exiting to positive housing destinations. NHAP's primary focus is to end all forms of homelessness. NHAP, with the CoC partners, is working to ensure that homelessness is rare, brief, and non-recurring. The BoS has achieved a functional zero of homelessness for veterans. The BoS will continue to emphasize expanding rapid rehousing through Coordinated Entry to move all persons that are literally homeless to sustainable permanent housing. The outcomes, goals, and other performance measures over the past few years have reflected a substantial movement to promote the placement of literally homeless households into permanent housing and to prevent individuals at risk of homelessness from entering the homeless system.

## Discussion: Community Development Block Grant (CDBG) Redistribution and Reallocation of Funds

Funds remaining uncommitted and unobligated from prior years' allocations on the acceptance date for the 2024 CDBG Program, from any funding opportunity category, will remain in their funding opportunity category. If the remaining uncommitted and unobligated funds exceed the total amount of eligible and viable applications in the original funding opportunity category, funds may be moved to another CDBG opportunity category. Funds for State Administration and Technical Assistance that are not used in a Program Year may be carried forward to the next Program Year.

### Reallocated Funds

Funds reallocated by HUD during 2024 shall be used in conformance with the 2024 CDBG Application Guidelines, unless otherwise specified by HUD.

### Redistributed Funds

A categorical adjustment allows DED to reserve up to 15% of the total CDBG allocation for use as needed among opportunity categories. An adjustment of more than 15% of the total allocation, or the creation or elimination of an opportunity category, will be considered a substantial amendment to the AAP, and would require further steps as identified within the Citizen Participation Plan section of the Consolidated Plan. Adjustments may be made for remaining balances within an Opportunity category within the last three months following a 12-month Program Year to meet the HUD Timely Distribution requirement that requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month timeframe.

### Recaptured Funds

Funds periodically recaptured by DED from grantees including, but not limited to, those that are recaptured due to: (a) unexpended CDBG funds for approved activities and (b) disallowed expenditures of CDBG funds for unapproved or ineligible activities, will be redistributed.

The priority for the redistribution of recaptured CDBG funds is to activities that meet the national object of Low-Moderate Income (LMI) Persons. The funds recaptured will be distributed to CDBG Opportunity applicants that meet the national objective and the fundability test.

Funds cancelled and recaptured from CDBG subrecipients will be redistributed in conformance with the CDBG Application Guidelines as follows: (1) if there are sufficient funds within 125 days from the date of the 2024 grant awards, the next ranked fundable applicant(s) may be awarded; or (2) if funds are insufficient, these funds, and any other funds recaptured after the 125 day period and prior to the 2024 CDBG application acceptance date, may be redistributed in conformance with the 2023 CDBG Application Guidelines.



## AP-35 Projects – (Optional)

### Introduction:

ESG and HOPWA, have been added to the AP-35 Section as projects. Both programs have been added per current IDIS guidance material available through HUD. CDBG was added to the AP-35 based on the 2024 Allocations, program outcomes will be updated as applications are awarded. HOME and HTF Programs will not be added this program year, but the Department will continue to move forward in making technical updates to be able to load those programs in the AP-35 in the future.

ESG projects have been determined through the NHAP application process and included in the AP-35.

The 2024 Program Year begins July 1, 2024. Funding for HOME, and HTF projects will not be determined until program-specific applications are received and evaluated, which will occur within the program year. Funding for the CDBG Program, has been determined for the 2024 allocation, however program outcomes will be based on the applications awarded.

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

Table 35.1 IDIS Projects

IDIS Project ID	Project Title
1	ESG24 Nebraska
2	2024 Nebraska AIDS Project NEH23-F999 (NAP)
3	2024 State of Nebraska NEH23-F999 (NE)
4	2024 CDBG ADMIN/TA
5	2024 CDBG Economic Development (ED)
6	2024 CDBG Downtown Revitalization (DTR)
7	2024 CDBG Planning (PP)
8	2024 CDBG Public Works (PW) - Infrastructure
9	2024 CDBG Public Works (PW) - Facilities
10	2024 CDBG Tourism Development (TD)
11	2024 Local Revolving Loan (RL) Projects

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

The 2024 Program Year allocation priorities were determined through the 2020-2024 Consolidated Planning process. The 2024 Program Year allocation priorities were determined through the 2020-2024 Consolidated Planning process. The largest obstacle to meeting underserved needs include a lack of funding opportunities to meet all need. The State makes every attempt to coordinate efforts to provide services and facilities throughout the State.

## AP-38 Project Summary

### Project Summary Information

Table 38.1 Project Summaries

<b>1</b>	<b>Project Name</b>	<b>ESG24 Nebraska</b>
	Target Area	Statewide
	Goals Supported	Reduce Homelessness
	Needs Addressed	Homelessness Priority Need
	Funding	Homeless Shelter Assistance Trust Fund: \$1,172,026.00 ESG: \$1,000,733.00
	Description	The Nebraska BoS plans to utilize the 2023 Federal Fiscal Year allocation of ESG funds to: operate shelters throughout the state; provide utility assistance, other financial assistance, and services to prevent homelessness; provide rent, other financial assistance, and services to support rapid rehousing programs; strategize with the Coordinated Entry system to quickly house homeless individuals; collect data on homelessness through HMIS; and administer the program. Dependent upon the requests and need for services, ESG funds and matching HSATF funding can be used for all ESG federally allowed activities to include street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted Homeless Person Overnight Shelter: 1950 Persons Assisted Homelessness Prevention: 945 Persons Assisted
	Location Description	ESG funds are allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. NHAP is also the recipient of HSATF funds. NHAP utilizes HSATF funds as the required match for the ESG funds. The matching HSATF funds are also allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. HSATF funds allocated for Region 6, the City of Omaha, and unallowable ESG activities are not utilized as matching funds for ESG.
Planned Activities	Provision of homeless and at risk of homeless services through emergency shelter, rapid rehousing, and homelessness prevention services. Provide funding support for the HMIS systems in the State of Nebraska to obtain data for outcome and compliance reporting for ESG and HSATF activities. Utilize funding for administrative costs. Dependent upon requests and needs, funds may be used for any ESG federally allowable activities including street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS.	
<b>2</b>	<b>Project Name</b>	<b>2023 Nebraska AIDS Project NEH23-F999 (NAP)</b>

	Target Area	Statewide
	Goals Supported	Assist Persons with HIV/AIDS
	Needs Addressed	Persons with HIV/AIDS
	Funding	HOPWA: \$798,315.23
	Description	The Project Sponsor will provide administrative oversight, direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, Housing for People with HIV/AIDS added (hotel/motel vouchers), supportive services and permanent housing placement.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Tenant-based rental assistance / Rapid Rehousing: 25 Households assisted annually; public service activities other than LMI Housing benefit to 15 persons assisted, Housing for People with HIV/AIDS added 20 Household/Housing Units assisted, and Homeless prevention to 60 persons assisted.
	Location Description	Statewide
	Planned Activities	Provision of decent, safe, and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, Housing for People with HIV/AIDS added, supportive services and permanent housing placement.
<b>3</b>	<b>Project Name</b>	<b>2024 State of Nebraska NEH23-F999 (NE)</b>
	Target Area	Statewide
	Goals Supported	Assist Persons with HIV/AIDS
	Needs Addressed	HOPWA Priority Need
	Funding	HOPWA: \$50,144.77
	Description	The State of Nebraska will provide grantee administrative oversight and technical assistance. A portion of these funds will be utilized to maintain and develop case management software.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers tenant-based rental assistance, public service activities other than LMI Housing benefit, and Homeless prevention.
	Location Description	Statewide
	Planned Activities	Administration, software development, and Technical Assistance
<b>4</b>	<b>Project Name</b>	<b>2024 CDBG ADMIN/TA</b>
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$421,649.50

	Description	The State of Nebraska will provide subrecipient oversight and technical assistance
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Administration and Technical Assistance
<b>5</b>	<b>Project Name</b>	<b>2023 CDBG Economic Development (ED)</b>
	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG & CDBG State RLF: \$7,651,292.45
	Description	Loans to businesses or infrastructure construction projects undertaken for economic development purposes.
	Target Date	06/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	2 Business will be assisted 35 Jobs created/retained
	Location Description	TBD
	Planned Activities	Refer to AP-30.
<b>6</b>	<b>Project Name</b>	<b>2024 CDBG Downtown Revitalization (DTR)</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$3,402,960.84
	Description	Involves revitalization efforts located within the downtown business district, including streets, sewer, and water systems, historic restoration, removal of architectural barriers, and/or loans to business for facade improvements, signage, and/or to meet community codes.
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Facade treatment/business building rehabilitation: 40 Business  Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20,000 Persons Assisted
	Location Description	TBD

	Planned Activities	Refer to AP-30
<b>7</b>	<b>Project Name</b>	<b>2024 CDBG Planning (PP)</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$513,274.33
	Description	Studies, analysis, data gathering, identification of implementation action, and preparation of plans and such as Housing studies, Comprehensive plans, Downtown Revitalization Plans, Historic Preservation studies.
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	TBD
	Planned Activities	Refer to AP-30
<b>8</b>	<b>Project Name</b>	<b>2023 CDBG Public Works (PW) - Infrastructure</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$2,873,353.23
	Description	Sewer and water systems, streets, sidewalks, removal of architectural barriers, parks, and other public infrastructure.
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 25,000 Persons Assisted
	Location Description	TBD
	Planned Activities	Refer to AP-30
<b>9</b>	<b>Project Name</b>	<b>2024 CDBG Public Works (PW) - Facilities</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$2,873,353.23

	Description	fire stations & trucks, non-profit daycare centers, senior centers, community centers, libraries, tornado shelters, removal of architectural barriers.
	Target Date	06/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20,000 Persons Assisted
	Location Description	TBD
	Planned Activities	Refer to AP-30
<b>10</b>	<b>Project Name</b>	<b>2024 CDBG Tourism Development (TD)</b>
	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG: \$2,242,671.20
	Description	Historic restorations; scientific and educational interpretive sites; cultural and heritage recreational sites/facilities; removal of architectural barriers that restrict mobility and accessibility to sites/facilities. Funding is for tourist attractions expected to draw 2,500 visits annually.
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Additional tourist attractions funded by Tourism Development activities will increase opportunities throughout the state for persons within the communities where the projects are located and for those persons visiting the attractions.  1 business assisted; 5 Jobs created/retained
	Location Description	TBD
	Planned Activities	Refer to AP-30
<b>11</b>	<b>Project Name</b>	<b>2024 Local Revolving Load (RL) Projects</b>
	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG: \$4,180,107.00
	Description	Local Program Income Revolving Loan Funds
	Target Date	06/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	TBD
	Planned Activities	TBD

	Location Description	TBD
	Planned Activities	Refer to AP-30

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

Not Applicable

**Acceptance process of applications**

Not Applicable

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

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

Annually, the State reviews the local revitalization strategies within the CDBG Opportunity categories of Public Works, Planning, and Downtown Revitalization. This strategy review includes evaluating the planning process completed during the pre-development phase of the project and evaluating the proposed activities within the planning goals and objectives that build on the revitalization strategies for the Community Development. This is to ensure that during the 2024 Program Year, these activities meet a CDBG national objective of either benefitting low-and-moderate income persons (through the subcategories LMI Area Benefit; LMI Limited Clientele) or the Elimination of Slum and Blight (through the subcategories of area). In 2024, the funds allocated for Support Vital Public Services will be reallocated between Enhance Public Facilities and Infrastructure and Encourage Economic Development Goals. This goal has not been successful due to pandemic barriers.



## AP-50 Geographic Distribution – 91.320(f)

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The State of Nebraska has chosen not to target any particular geographic area for special assistance but has chosen to allow any non-entitlement community to apply for CDBG funding, dependent on eligible activities and programs, and provides HOME, HTF, ESG, and HOPWA funding throughout the state. ESG and matching HSATF funds are utilized to serve Regions 1 through 5 and the portion of Region 7 outside of Omaha.

### **Geographic Distribution**

Table 50.1 Geographic Distribution

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

### **Rationale for the priorities for allocating investments geographically**

The State of Nebraska has chosen not to target any particular geographic area for special assistance but has chosen to allow any non-entitlement community to apply for CDBG funding, dependent on eligible activities and programs, and provides HOME, HTF, ESG, and HOPWA funding throughout the state. ESG and matching HSATF funds are utilized to serve Regions 1 through 5 and the portion of Region 7 outside of Omaha.

### **Discussion**

The State of Nebraska will distribute development resources in proportion to the development needs of the state. In general, DED and DHHS will approve funding for development projects that satisfy specific criteria and fund projects throughout the state. There is no specific target area for funding distribution, but program assistance is provided statewide.

Nebraska is served by a system of service providers throughout the state. Majority of these service providers are located in the areas where need has been shown according to the Census data available and other economic indicators. Some of these indicators include the community population, where those communities with the largest populations tend to have the greatest number of service providers within any given geographic area.

#### **LIHTC 9% and 4% Set Aside**

For HOME/HTF applicants applying within the LIHTC 9% tax credit and 4% tax bond set aside, the entire state is the eligible area. The joint NIFA/DED application cycles for LIHTC 9% tax credit and 4% tax bond achieves geographic diversity by making the best effort to award 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

### Targeted Needs Set Aside

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

### Permanent Housing Set Aside

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

## AP-55 Affordable Housing – 24 CFR 91.320(g)

### Introduction:

Below is a summary of the one-year goals for several categories that relate to affordable housing. These one-year goals are related to the federal resources provided through CDBG, HOME, HTF, ESG, and HOPWA and include HSATF and NAHTF projects.

Table 55.1 One Year Goals for Affordable Housing by Support Requirement

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	150
Non-Homeless	324
Special-Needs	15
<b>Total</b>	<b>489</b>

Table 55.2 One Year Goals for Affordable Housing by Support Type

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	165
The Production of New Units	180
Rehab of Existing Units	144
Acquisition of Existing Units	25
<b>Total</b>	<b>514</b>

### Discussion:

As the information above demonstrates, a significant number of households are served annually through affordable housing programs. See below for further information

#### Homeless

One-year goals for the number of “Homeless” households supported are estimated from the number of households that will receive homeless services through the Nebraska Homeless Assistance Program (See also AP-20).

**Non-Homeless**

One-year goals for the number of “non-Homeless” (also identified as individuals or families who are at risk of homelessness) are estimated from the number of households served under the NHAP Homelessness Prevention component for rental assistance. (See also AP-20).

**Special-Needs**

One-year goals for the number of “Special-Needs” are estimated from the number of households that will be served through the HOPWA and HTF Programs (See also AP-20).

**Rental Assistance**

Rental assistance will be completed primarily through ESG and HOPWA resources that include Tenant Based Rental Assistance (TBRA); financial assistance including rental application fees, security and utility deposits, last month’s rent, utility payments, and moving costs; and short- term rent assistance. In addition, HSATF resources will also be used for this activity. The total estimated number of households for “Rental Assistance” includes ESG and HOPWA estimates of TBRA assistance combined (See also AP-20).

**Production of New Units**

The production of new units will be completed primarily through HOME and HTF resources that will be utilized through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle that utilizes LIHTCs and HOME/HTF funds to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

HOME funding is available to eligible CHDO organizations to be utilized for CHDO eligible activities, which includes the construction of new housing units.

**Rehabilitation of Existing Units**

Rehabilitation of existing units is completed primarily through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle that utilizes LIHTCs and HOME/HTF funds to provide additional affordable housing. HTF funds can also be used for rehabilitation through the Targeted Needs and Permanent Housing set-asides. In addition, NAHTF resources may also be used for this activity.

**Acquisition of Existing Units**

It is anticipated that additional households will be supported through NAHTF projects, which will likely include those that involve acquisition of existing units.

## AP-60 Public Housing - 24 CFR 91.320(j)

### **Introduction:**

DED does not manage or oversee funds to any of the Public Housing Authorities throughout the state. The State will continue to work with the Public Housing Authorities (PHAs) to house Nebraska's low-income households to the extent that is necessary. PHAs are eligible applicants for some DED resources including Nebraska Affordable Housing Trust Fund (NAHTF) resources.

### **Actions planned during the next year to address the needs to public housing**

This Annual Action Plan is for a state grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

This Annual Action Plan is for a state grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

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

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

### **Introduction**

The State of Nebraska administers various statewide grant programs that provide funding for agencies to serve those that are homeless or at risk of homelessness such as NHAP, ESG, HOPWA, and HTF. The activities that the State of Nebraska will undertake in 2024 are described in the following narratives.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:**

- **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The State of Nebraska's NHAP funding is focused on assisting the populations with the greatest needs to support reaching the goal of functional zero homeless individuals in Nebraska. The Coordinated Entry process utilizes assessment tools that prioritize those with the highest needs in our communities. The populations that rank as the highest risk are those that are unsheltered or chronically homeless as defined by HUD's Final Rule. NHAP funds street outreach efforts in the

cities of Lincoln and Omaha with non-matching HSATF funds. Emergency shelter programs throughout the state are funded with both ESG and HSATF. The services provide support systems for individuals that are homeless. All individuals who enter NHAP funded homeless programs are provided the opportunity to be referred to the Coordinated Entry System to access permanent housing and homeless prevention assistance.

Assessing and prioritizing all who enter the Coordinated Entry System has created a more efficient homeless service system, as resources are targeted to those who need them most. This helps individuals move to appropriate permanent housing programs in an expedited manner. This is a change from the “first come, first served” model to serving those with the greatest risks and needs. In Nebraska, the Coordinated Entry System in the BoS has been established to rank those individuals with the highest needs for permanent supportive housing. Other homeless individuals who rank with less intensive needs may qualify for rapid rehousing programs. The Coordinated Entry System utilizes a statewide Coordinated Entry list that provides homeless individuals with the opportunity to relocate to other parts of the state to be closer to natural supports, employment opportunities, or needed services. NHAP will continue to require subrecipients to administer the standardized assessment for every individual that is literally homeless and to refer those who elect to participate to the Coordinated Entry System.

Additionally, the Coordinated Entry Manager and the public access doors will train other community agencies that encounter unsheltered homeless persons. This includes law enforcement, hospital emergency units, faith communities, and other service agencies that will refer to CoC provider agencies when they encounter unsheltered persons in need of assistance. Building a strong network of community agencies that are knowledgeable about public access points is essential to assisting all individuals in obtaining safe and stable housing.

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

Emergency shelter and transitional housing are critical parts of the homeless service system. These services continue to be needed for reasons such as the lack of short-term housing solutions for the working poor experiencing temporary financial shortfalls and of immediately available fair market housing. Additionally, emergency shelter and transitional housing services assist population groups, such as: individuals experiencing domestic violence; individuals exiting substance abuse treatment centers; and youth under the age of 25 without a family support system.

Shelters provide temporary refuge and often serve as the “front door” or first place of entry to those experiencing homelessness. At that front door, individuals receive supportive services and assistance accessing mainstream services. NHAP recognizes the importance that emergency shelters have in connecting those experiencing homelessness with the resources needed to exit homelessness and move to self-sufficiency. Despite barriers to permanent housing for some individuals, agencies are making increased efforts to provide seamless services from emergency shelter to permanent housing solutions through the utilization of the Coordinated Entry System. Transitional housing is included in the Coordinated Entry System to serve individuals who may need longer-term shelter stays and to serve those with priority needs, such as: homeless youth; victims of domestic violence; and individuals who are recovering from substance abuse.

For NHAP programs funded to support emergency shelter and transitional housing programs, performance will be measured based on:

- Increased bed utilization rate;
- Decreased average length of stay of the households served in emergency shelter/transitional housing;
- Increase in the percentage of discharged households to permanent housing; and,
- Minimal rates of returns to homelessness.

This data is used to evaluate the effectiveness of programs and to address any performance issues with current NHAP subrecipients.

- **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The State of Nebraska will continue to uphold the expectation that NHAP subrecipients will coordinate services, utilize the “Housing First” model, and encourage prioritization of rapid rehousing programs to move towards the goal of ending homelessness in Nebraska. Technical assistance will continue to be provided to support the implementation of outreach and rapid rehousing services to increase the number of homeless households placed into sustainable permanent housing. NHAP is an active participant of the Coordinated Entry planning committee and a member of the Coordinated Entry governing body. This allows NHAP to ensure the inclusion of homeless individuals and individuals at risk of homelessness.

All NHAP subrecipients are required to participate in their local CoC to coordinate resources. This coordination of resources helps to ensure that homeless individuals are identified and provided the appropriate array of services to meet their needs, as well as to encourage sustainability. Utilizing the CoC’s Coordinated Entry System allows for standardized assessment to promote placing homeless individuals into appropriate permanent housing and more effectively targets resources to those most in need. Nebraska is utilizing standardized assessment tools to target the most vulnerable and chronically homeless individuals in the state. Higher scores correspond to greater need and are prioritized on the CoC Permanent Supportive Housing (PSH) Coordinated Entry list. Those individuals with less-intensive needs are placed into permanent housing through rapid rehousing programs. Homeless youth are identified for the Transition Aged Youth Program that operates within the Coordinated Entry System. By identifying chronically homeless and the most vulnerable individuals in the state, actively coordinating between agencies, and making an expedited and appropriate level of intervention; individuals and families experiencing homelessness are served efficiently.

NHAP has also worked with victim service providers, who are not required to utilize the Homeless Management Information System (HMIS), to promote engagement with the Coordinated Entry System. This will allow individuals served by these types of programs to have access to all permanent housing options in conjunction with supportive targeted services. NHAP and the Coordinated Entry Manager will continue to train the victim service providers and the state-wide Domestic Violence and Sexual Assault Coalition on the Coordinated Entry processes with special consideration to be provided to protect the confidentiality of individuals utilizing victim services programs.

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

Over the next year, NHAP will monitor the length of time households are homeless through HMIS. NHAP will establish targets for agencies in implementing the "Housing First" model to better assist families in obtaining permanent housing. NHAP will monitor subrecipients' continued progress towards increasing the number of households being placed into permanent housing. NHAP will provide technical assistance, resources, and supports to agencies to promote ending homelessness in Nebraska. NHAP will continue to coordinate with the Nebraska Department of Economic Development, other state agencies, and federal agencies to identify areas with a lack of affordable housing or gaps in services across the state.

It is the goal of NHAP to efficiently and successfully provide permanent housing to the homeless and make all efforts to prevent returns to homelessness. To measure the success of each NHAP funded agency, NHAP is tracking the number of returns to homelessness for individuals who have exited to permanent housing. NHAP will use this data to provide technical assistance and to make funding determinations.

Throughout Nebraska, many communities have NHAP funded systems in place that are targeted toward homelessness prevention. This effort helps to maximize the funding available to individuals and families at risk of or experiencing homelessness. These efforts to connect individuals at risk of or experiencing homelessness to mainstream economic assistance services are evaluated through the NHAP application process.

- **Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

NHAP funded agencies are required to have a formalized process for referring eligible low-income individuals and families to self-sufficiency resources. NHAP funded agencies assist families in accessing public benefits through other community agencies and DHHS (such as the Supplemental Nutrition Assistance Program and Temporary Assistance to Needy Families). These resources provide financial assistance to those who are extremely low-income and help stabilize their financial situations. The increased financial stability helps promote housing stability.

In 2019, diversion training was provided to all homeless assistance providers throughout Nebraska to promote a model to divert low-income individuals and individuals at risk of homelessness from entering homeless systems across the state. The diversion training included a day for a train-the-trainer program, which allowed the participants to promote this model in local communities. From 2020 through 2022, the training was put on hold due to the pandemic. However, skills learned in diversion training are currently being utilized. In 2023, training resumed.

In further support of these efforts, NHAP currently awards non-matching HSATF funds to agencies across the state that help homeless individuals or individuals at risk of homelessness apply for Social Security benefits through the Social Security Income or Social Security Disability Income Outreach, Access, and Recovery (SOAR) Program. Receiving Social Security Income (SSI) or Social Security Disability Income (SSDI) helps to improve economic self-sufficiency for eligible candidates. These funds are not reported in the total HSATF funding available in the AAP.

NHAP also provides non-matching HSATF funding for the provision of legal services to assist individuals at risk of and experiencing homelessness. The legal services provided must address legal issues that are barriers to accessing housing, such as landlord mediation; tenant rights protections; protection/harassment orders; divorce; paternity and custody matters; assistance with accessing public benefits such as childcare, SSDI, SSI, and other cash benefits; and resolving consumer debt issues. These funds are not reported in the total HSATF funding available in the AAP.

NHAP will continue to evaluate policies across the BoS CoC to help low-income individuals avoid becoming homeless, including those discharged from publicly funded institutions and systems of care (i.e., health care facilities, mental health facilities, youth facilities, and correctional programs). It is expected that the BoS CoC and NHAP subrecipients actively promote and pursue coordination with community providers to connect individuals that are served with mainstream resources and services.

## **Discussion**

See above for additional information.

### **AP-70 HOPWA Goals – 91.320(k)(4)**

The primary goal of the HOPWA Program is to provide decent, safe, and affordable housing and supportive services to people living with HIV/AIDS who are homeless and/or at imminent risk of becoming homeless. If funding permits, increasing access to employment opportunities/job training is a goal for the program, as well as increasing the number of individuals receiving tenant-based rental assistance. Eligibility for HOPWA funded services requires at least one person in the household be infected with the HIV virus and



a household income at or below 80% of the area median income. Households with incomes above 80% of the area median income are eligible to receive HOPWA funded housing counseling and referral services. The priority population for HOPWA is serving the homeless and chronically homeless.

Table 70.1 HOPWA Number of Household Goals

<b>One-year goals for the number of households to be provided housing through the use of HOPWA:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	60
Tenant-based rental assistance	25
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	20
<b>Total</b>	<b>105</b>

## AP-75 Barriers to affordable housing – 91.320(i)

### **Introduction:**

Below is information on the actions planned for 2023 and some background information on the State's efforts toward reducing barriers to affordable housing.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The Annual Action Plan regulations require the State to describe the State's actions it plans to take during the next year to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing as identified within MA-40 of the 2020-2024 Consolidated Plan. Many of these barriers are outside the control of DED, and are due primarily to economic forces, such as the cost of land and labor. However, the State continues to strive to remove barriers when at all possible. During the 2023 Annual Action Plan year, the following actions are planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing as it relates to utilizing HOME, HTF, ESG, HOPWA, HSATF, and NAHTF resources.

In addition to using CDBG, HOME, HTF, ESG, and HOPWA, the state undertakes numerous other actions to foster and maintain affordable housing. Coordinating the use of the Low-Income Housing Tax Credit (LIHTC) program to develop new affordable housing is a critical component of the state's affordable housing strategy. Information on the LIHTC program administered by NIFA can be found at <https://www.nifa.org/developers-property-managers/lihtc-apply>.

### **Actions Related to Tax Policy affecting land and other property**

The State will continue to evaluate steps to alleviate the property tax burden that is a barrier to affordable housing. The State has previously reviewed the tax structure as it relates to school districts but will also review other areas of the tax policy that may be revised which reduce property taxes for Nebraskans.

In addition, the State will continue to review the tax policies affecting affordable housing and evaluate the impacts of the legislation under LB356, which revised the method for appraisals made on low-income housing tax credit projects that was passed in 2015.

### Actions Related to Land Use Controls and Zoning Ordinances

The State, because it has very limited influence on land use controls and zoning ordinances, will continue to work with local governments to utilize good practices in ensuring the local land use controls and zoning ordinances do not negatively impact affordable housing development, thus removing an additional barrier to affordable housing. One way in which the Department will accomplish this is to continue its collaboration with the Nebraska Chapter of the American Planning Association through its participation at the Nebraska Planning and Zoning Association (NPZA) Conference and other planning and zoning related events. Continued collaboration and educational outreach will assist in these efforts.

In 2020, the Nebraska Legislature amended the Community Development Law to allow for expedited reviews of development plans in small cities (population less than 100,000) and in extremely blighted areas. This change also allowed for TIF financing for owner occupied rehabilitation. LB866 was passed and adopted the “Municipal Density and Missing Middle Housing Act” requiring cities, 20,000 and larger, to examine and update zoning laws to permit more variation in the types of housing stock that can be built, increasing affordability. These cities are also required to provide a report to the Legislature detailing efforts to address the availability of and incentives for affordable housing.

### Actions related to Building Codes

The State will continue to work with local governments in ensuring that any building codes enacted at the local level do not have a negative impact on affordable housing. Efforts are needed to ensure that local building codes do not hamper additional investment for affordable housing throughout the state. The State will accomplish this through collaborating with community and county officials in educating them on the use of solid building code policy that will focus on ensuring safe and decent housing for individuals, including low-income persons, but at the same time implementing policies such as energy efficiency, into the codes.

In addition, the DED will continue to collaborate with the Nebraska Department of Environment and Energy in ensuring that affordable housing projects meet the property code standards within their developments.

### Actions related to Growth Limits

The State, because it has very limited influence on communities utilizing regulatory barriers which place limits on the number of market rate, rental, and affordable housing that may be located within a given area, will continue to work with local governments in education and utilization of good practices in reducing the negative impacts of growth limits within communities. Education and outreach can be important tools in showing that mixed income developments (both market rate and rent-restricted units) are not harmful to communities but can create benefits through the income diversity within a community. Recently, the Nebraska Legislature has passed LB86 and LB866 that address growth limits. LB86 provided for a \$5,000 refundable income tax credit for individuals who purchased a primary residence in an extremely blighted area. This credit became available beginning January 1, 2020. LB866 created a grant program for Middle Income Workforce Housing. The State will continue its outreach, which assists in reducing any negative impacts that growth limits may have on affordable housing.

### Actions related to Policies Impact Return on Residential Investment

Because the State does not have control of the amount of residential return on investment, as this is determined at the local level when a property is sold or when it is rented, the State has limited actions it can take to create more favorable policies that may impact return on residential investment. The State hopes that through education and outreach with affordable housing providers that a reasonable return on investment can be obtained within the development of affordable housing projects, which will help in reducing the negative impacts a limited return on investment may have on housing development. The State will continue to work with local governments, housing providers, housing developers, and other affordable housing entities in order to help assist in the creation of favorable policies that improve return on residential investment and that will reduce the negative impacts on policies related to this issue.

### Actions Related to Other Effects of Public Policy on Affordable Housing and Residential Investment

The State will continue to evaluate additional barriers or constraints to the development of affordable housing that include: lack of housing contractors throughout the state; housing construction costs (including labor and materials); residential home values in certain markets; lack of sufficient rental units in some communities; lack of residential units for homebuyers (both low income and market rate) in many communities; lack of infrastructure for development; and insufficient establishment and enforcement of building codes. Policies related to these must be evaluated as these barriers negatively affect both the private and public sectors in ensuring that proper affordable housing and residential investment is made available within communities throughout the state.

The State will continue to evaluate policies that can be implemented which will work to attract additional residential contractors, particularly those that are willing to construct moderate priced homes in communities. The State will review whether or not there may be policy incentives implemented into State housing programs that may include providing zero interest loans to contractors to build residential units; providing low priced or free residential lots for development; and, to provide additional points in housing applications for those applicants that compile lists of interested contractors that may work on projects if applications are funded. This approach could also be implemented at the local level and through education and outreach the State could help influence good decision making and policies that would work toward attracting more residential contractors in many underserved markets throughout the state.

The State will also continue to work with developers and contractors to identify any cost saving measures that might be appropriate to implement in order to save on the cost of materials and labor. Policies related to construction cost savings measures could be evaluated which could include increased collaboration between communities and affordable housing providers that utilize job training in their construction practices and thus are able to provide reduced price homes in communities.

Overall, the State will continue to evaluate public policy that may impact the value of residential units in certain markets; the lack of residential units; ways in which to improve residential infrastructure; and code enforcement assistance. All these items will move towards reducing additional barriers to affordable housing.

## AP-85 Other Actions – 91.320(j)

### **Introduction:**

The following are additional actions the State will take in the 2023 Program Year.

### **Actions planned to address obstacles to meeting underserved needs**

All of the activities which will be funded under the State’s CDBG, HOME, HTF, ESG, HOPWA and programs funded under the State’s Nebraska Affordable Housing Trust Fund (NAHTF) and Nebraska Homeless Shelter Assistance Trust Fund (HSATF) will address obstacles to meeting underserved needs. The State will identify and respond to underserved needs as they arise from self-evaluation and citizen participation. In addition, the State will continue to encourage qualified applicants to apply for CDBG, HOME, HTF, ESG & HOPWA funds to assist in meeting the needs of the underserved.

### **Actions planned to foster and maintain affordable housing**

The Housing Priority of the Annual Action Plan addresses how the State attempts to foster and maintain affordable housing throughout the state. Actions planned include developing additional rental housing; developing additional homeownership units; providing buyer subsidy; providing rental housing development, homeownership activities, and non-profit operating assistance.

### **Actions planned to reduce lead-based paint hazards**

The State is committed to reducing lead-based paint hazards. DED and DHHS will continue its efforts to educate CDBG, HOME, HTF, ESG, and HOPWA recipients on the dangers of lead-based paint, as appropriate. In addition, DED ensures that Program Guidelines contain information on the requirements for lead-based paint work practices. The Department provides technical assistance to grantees on how to properly mitigate lead-paint hazards as necessary.

DHHS, through the Division of Public Health’s Lead-Based Paint Program, will coordinate with DED for training, education, and other resources related to lead-based paint hazards, and will require that grantees and subgrantees utilize staff and contractors that have the appropriate training and certification.

### **Actions planned to reduce the number of poverty-level families**

Many agencies throughout Nebraska actively pursue the elimination of poverty. The role that DED and DHHS perform in this overall endeavor is to foster and promote self-sufficiency and independence. To better empower individuals and families toward self-sufficiency and independence through CDBG, HOME, HTF, ESG, & HOPWA may be used, and the following strategies will be put to work:

- Promote sustainable economic development through affordable housing and other community development activities;
- Evaluate projects, in part, on the basis of their ability to foster self-sufficiency when awarding funding for projects;
- Maintain a strong relationship with the Continuum of Care system in order to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations;
- Explore partnership opportunities with other agencies that provide a range of services and activities that have a measurable, and potentially major impact, on the causes of poverty in their communities; and

- Enhance efforts to educate the public and interested persons about available supportive services that foster self-sufficiency and independent living arrangements.

### **Actions planned to develop institutional structure**

The State is committed to improving institutional structures. The institutional structure for the CDBG, HOME, HTF, ESG, and HOPWA Programs is composed of DED, DHHS, local governments, nonprofit organizations, and private industry. It is essential that these entities efficiently work together. Some examples include within the rental housing program (through the collaboration between NIFA and DED) and within the CDBG program that focuses on public facilities and infrastructure (through the collaboration between DED, Nebraska Department of Environment and Energy, DHHS, and U.S. Department of Agriculture – Rural Development).

### **Actions planned to enhance coordination between public and private housing and social service agencies**

DED works with NIFA through providing technical assistance and financing resources in the NIFA-led Collaborative Resource Allocation in Nebraska (CRANE) process, which works at developing housing projects that impact special needs and other underserved populations.

DED also coordinates regularly with the Nebraska Commission on Housing and Homelessness (NCHH) and is represented on various social service state advisory groups to ensure housing services are coordinated with social services for needy populations in Nebraska. DED continues to collaborate with DHHS, Public Housing Authorities, and homeless service providers throughout the state.

The Nebraska Homeless Assistance Program (NHAP) is housed within the infrastructure of DHHS. Being part of this collective organization, which includes Behavioral Health, Developmental Disabilities, Medicaid, Children and Family Services, and Public Health allows for continued collaboration and coordination across the various disciplines in support of the delivery of housing and supportive service needs. As part of the NHAP application, applicants outline how they are connecting individuals that are homeless or at risk of homelessness with mainstream services and social service providers in their regions.

NCHH serves as the advisory body for NHAP. As part of their dual role, the commission coordinates with housing and homeless services agencies to further the goal of ending homelessness in Nebraska. Additionally, NHAP and DED serve on the Housing Olmstead Planning Committee to ensure equal access to housing resources are available to individuals with disabilities. Several action steps have been identified to enhance coordination with public housing authorities, private housing, and social service agencies. Those actions include presentations to public housing authorities about mainstream vouchers and educating landlords about incentives available for renting to individuals with low income or with disabilities.

## AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

### Introduction:

Program Specific Requirements for CDBG, HOME, ESG, HOPWA & HTF.

### Community Development Block Grant Program (CDBG) | 24 CFR 91.320(k)(1)

CDBG application criteria, method of distribution, selection criteria, threshold factors and grant size limits are identified within the AP-30 Method of Distribution section, along with the allocated funding categories. Per 24 CFR 570.484 the state must certify that, in the aggregate, not less than 70 percent of the CDBG funds received by the state during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low and moderate income. No urgent needs that pose a serious and immediate threat to the health or welfare of the community has arisen.

In addition, Nebraska permits local units of government to retain program income, at the local level, that is available for projects to be carried out. Refer to Appendix, Section 2.2 for a list documenting local program income accounts within the non-entitlement. The number of authorized local units of government will change as the Department reviews the capacity of the local unit of government. The program income total is referenced with a narrative in section AP-15.

Table 90.1 CDBG Program Income

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$9,559,395.00
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	\$0
5. The amount of income from float-funded activities	\$0
<b>Total Program Income:</b>	<b>\$9,559,395.00</b>

Table 90.2 Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.	70.0% of CDBG funds will be used to benefit LMI persons
3. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the fiscal years covered that include this Annual Action Plan.	2022, 2023, 2024

## **HOME Investment Partnerships Program (HOME) | 24 CFR 91.320(k)(2)**

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

The State of Nebraska will not use HOME funds beyond those identified in Section 92.205.

- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

Refer to Appendix 3.1 for the full language of the resale and recapture provisions for the HOME program.

- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

Refer to Section 3.1 of the Appendix for the full language of the resale and recapture provisions for the HOME program.

- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The State of Nebraska does not have any plans to use HOME funds to refinance any existing debt secured by multifamily housing that is rehabilitated with HOME funds.

## **Emergency Solutions Grant (ESG) | 24 CFR 91.320(k)(3)**

- 1. Include written standards for providing ESG assistance (may include as attachment):**

The ESG written standards are a living document and will be updated as needed. The current version of the document is posted at: <https://ccfl.unl.edu/community-services-management/Nebraska%20Balance%20of%20State%20Written%20Standards%202023%200.pdf>.

If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system:

The BoS CoC successfully implemented the Coordinated Entry System on January 17, 2018. NHAP is actively involved in the Coordinated Entry process through participation in the Coordinated Entry Planning Committees and is a standing member of the Coordinated Entry governing body. The Coordinated Entry manual, instructions, and brochures can be viewed at <https://ccfl.unl.edu/community-services-management/resources>.

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

#### The Coordinated Entry System:

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

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

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

## **2. Identify the process for making sub-awards and describe how the ESG allocation available to private**



**nonprofit organizations (including community and faith-based organizations) will be allocated:**

The BoS ESG allocation is awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website, and the Requests for Applications are distributed to prior applicants, current subrecipients, and faith-based organizations. Funding by geographic region is announced before the application process. Regional coalitions meet to discuss who will be applying for funds and to discuss funding requests. This meeting helps ensure an inclusive array of services are provided in the region, and that the applications received meet the service needs of each geographical region. The eligible applicants are units of general local government and individual non-profits, including faith-based organizations.

**3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

All NHAP sub-recipients are expected to involve homeless or formerly homeless individuals on their Board or actively consult with them regarding ESG policies, funding, and activities. In the Program Year 2024 (PY24) application, NHAP requested a narrative regarding the consultation of homeless or formerly homeless individuals. This is evaluated as part of the review process. In the PY24 application, NHAP plans to require applicants to submit their policy for involving individuals with lived experience in decision making. In cooperation with the BoS CoC, technical assistance and training will be provided after reviewing the policies. Furthermore, during on-site monitoring visits conducted by NHAP, NHAP subrecipients are required to be able to demonstrate this requirement is being met.

**4. Describe performance standards for evaluating ESG.**

The primary goals the State strives to have NHAP subrecipients achieve include reducing the length of homelessness, increasing exits to permanent housing destinations, and reducing returns to homelessness.

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

The performance measures gauge the housing stability and economic self-sufficiency of participants. With the housing stability information collected, the State and BoS CoC will jointly review and work to develop strategies that can help individuals experiencing homelessness gain stable housing.

## Housing Opportunities for Persons living With HIV/AIDS (HOPWA) | 24 CFR 91.320(k)(4)

### 1. What are the one year program goals?

- a. Public Service activities other than LMI Housing Benefit:  
15 Persons Assisted
- b. Tenant-based rental assistance / Rapid Rehousing:  
25 Households Assisted
- c. Homeless Prevention:  
60 Persons Assisted
- d. Housing for People with HIV/AIDS added:  
20 Household/Housing Units assisted

### 2. Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations).

Within Nebraska, the Nebraska AIDS Project (NAP) an AIDS Service Organization that provides case management services statewide to persons living with HIV/AIDS. DHHS awarded HOPWA funds to NAP after completing a Request for Application (RFA) in February 2021 NAP serves as the project sponsor for the HOPWA Program and has offices located in Omaha, Lincoln, Kearney, Norfolk, and Scottsbluff.

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

### 1. How will the grantee distribute its HTF funds? Select all that apply:

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

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

N/A

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

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

Eligible Recipients include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations, local units of government, for-profit developers, non-profit housing providers, redevelopment organizations or public housing authorities that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

- i. Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- ii. Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;

- iii. Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- iv. Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, and manage and operate an affordable multifamily rental housing development.

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

- i. Forms of Assistance: Eligible uses of funds include: loans, grants, equity investments, and other State approved forms of assistance.
- ii. Allocations and Set Asides (Please refer to Appendix 1.2 for the distribution of the allocation for the HTF program)
  - 1. Nebraska will reserve a portion of the State’s annual HTF allocation for affordable multi-family rental projects, single-family rental projects and rental rehabilitation projects to be used as “gap” financing in coordination with Nebraska Investment Finance Authority (NIFA) through the joint NIFA/DED application cycles for Low Income Housing Tax Credits within the 9% tax credit cycles and the 4% tax bond cycle. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional opportunity for DED to invest HTF funds into rental housing projects in order to increase the supply of rental housing available for ELI persons. This allocation will be referred to as the “LIHTC Set Aside”. Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
  - 2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”. Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
  - 3. Nebraska will allocate the remainder of HTF funds for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through 1) acquisition, rehabilitation, and resale of existing residential units or 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside. “Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

- b. *Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients. 90% of the HTF funds will benefit extremely low income (ELI) households for rental housing and up to 10% will be used for state administration expenses. Rental housing activities may include:

- Acquisition and rehabilitation of existing housing units (for the creation of additional rental units for ELI persons);
- Rehabilitation of existing rental units;
- Adaptive re-use of existing buildings;
- New construction;
- Operating Cost Assistance (utilized with other rental housing activities); and
- Operating Cost Assistance Reserves (utilized with other rental housing activities).

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed, or newly constructed with HTF funds and DED will award no more than one-third of the state's annual grant to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF- assisted unit's share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD's Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program. Priority will be given to projects creating new units.

- c. *Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

**Threshold Requirements**

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

1. Submit a complete application to DED. After applications are submitted, DED will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:
  - a. Required application forms submitted: all required DED-provided forms for current year application will be posted on the DED website prior to the beginning of the application cycle.
  - b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
  - c. Applicants must comply in all respects with DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements. Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.
2. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
3. Demonstrate the financial feasibility of the project.
4. Certify that housing assisted with HTF funds will comply with HTF requirements.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.
6. Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2022 and prior NIFA/DED Joint Application (HTF Program Year 2021 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HTF funds in the 2024 NIFA/DED Joint Application (HTF Program Year 2023).

#### **DED Housing Priorities and Scoring Criteria**

HTF funds will be awarded to the applicants whose applications are complete, meet all requirements, and score the highest points until HTF funds have been allocated. If there is a tie in the scoring of two or more applications, the projects will be ranked in the following order to determine which applicant receives priority:

1. The application with the greatest amount of additional subsidy per unit;
2. The application with a proposed project under the Targeted Set-Aside or Special-Needs Set-Aside;
3. The most complete application as determined by the State's completeness review team.

DED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the DED application evaluation determines a proposed project is not financially viable or feasible.

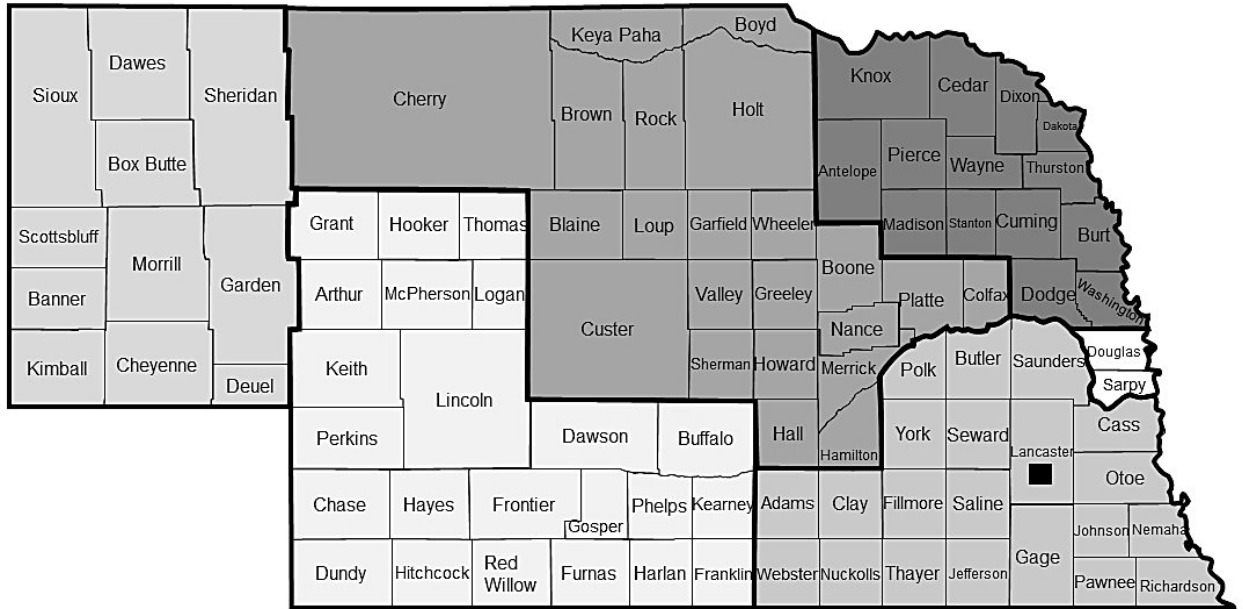
**Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration** (Answering the relative importance of the readiness of projects in the selection process (the scoring), ‘Undertaking Projects in a Timely Manner’)

The Nebraska HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. The following seven selection criteria, all given equal consideration, will be used to determine HTF allocation of funds, and to evaluate and select HTF applications to be awarded HTF dollars.

**Priority based upon geographic diversity: Geographic Diversity Criteria (up to 10 points)**

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

- **LIHTC Set Aside:** For HTF applicants applying within the LIHTC set aside, the entire state is the eligible area. The joint NIFA/DED LIHTC application cycles achieve geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000, 2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.
- **Targeted Needs Set Aside:** For HTF applicants applying within the Targeted Needs set aside, the entire state is the eligible area. While two of the three set asides do provide geographic diversity, the Targeted Needs set aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.
- **Permanent Housing Set Aside:** For HTF applicants applying for the Permanent Housing set aside, funds will be distributed equally between the Continuum of Care (CoC) Regions, which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, Southeast, and Northeast Regions of Nebraska.



**Nebraska Homeless Assistance Program (NHAP) Regions**

<b>Balance of State:</b>	Region 1, Region 2, Region 3, Region 4, Region 5, Sarpy County, and Douglas (excluding Omaha) County
<b>Region 1 Panhandle:</b>	Sioux, Dawes, Sheridan, Box Butte, Scottsbluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel
<b>Region 2 North Central:</b>	Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Boone, Platte, Colfax, Sherman, Howard, Nance, Merrick, Hall, and Hamilton
<b>Region 3 Southwest:</b>	Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Red Willow, Furnas, Harlan, and Franklin
<b>Region 4 Southeast:</b>	Polk, Butler, Saunders, York, Seward, Lancaster (excluding Lincoln), Cass, Adams, Clay, Fillmore, Saline, Otoe, Webster, Nuckolls, Thayer, Jefferson, Gage, Pawnee, and Richardson
<b>Region 5 Northeast:</b>	Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, and Washington
<b>Region 6:</b>	City of Lincoln
<b>Region 7 Omaha:</b>	Douglas and Sarpy

**Applicant’s ability to obligate HTF funds: Ability to Obligate Funds Criteria (up to 10 points)**

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control. Along the collaboration with the partners involved in the project, pre-development, and post-award and how they assist in timely completion of the organization’s proposed HTF project.

**Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)**

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
- Timeliness determined through the Threshold Requirements completion
- Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

**Property Portfolio** –The applicant’s portfolio of projects/properties show evidence of competent management and oversight. Describe how the properties and the applicant’s development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

**Management Capacity** – Show evidence of how the current management has the ability to manage additional development activities and whether the team has had experience with Affordable Housing programs. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

**Project Management** – Describe the procedures in place for monitoring the progress of the project.

**For rental housing, the extent to which the project has Federal, State, or local project-based rental assistance so units are affordable to extremely low-income families: Project-Based Rental Assistance for ELI Criteria (up to 10 points)**

Applicants will be evaluated on the number of projects based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

**For rental housing, the duration of the units’ affordability period: Affordability Period Criteria (up to 10 points)**

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.



**The merits of the application in meeting the State’s priority housing needs: Priority Housing Needs Criteria (up to 10 points)**

HTF applications will be consistent with the State’s Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low-income persons are consistent with the Housing Priority Need and is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2020 - 2024 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

1. The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:
  - a. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
  - b. Is the project application promoting housing preservation by improving the quality of Nebraska’s existing affordable housing?
  - c. Does the project application enhance statewide understanding of fair housing law through outreach and education?
2. The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.
  - a. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
  - b. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?
3. Evidence of local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.
4. Evidence of how the proposed project impacts the community.

**The extent to which application makes use of non-federal funding sources: Non-Federal Funding Sources Criteria (up to 10 points)**

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

Overall project financing for the proposed HTF project must include a description of all resources into the project; these may include, but not be limited to other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

- d. *Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

- **LIHTC Set Aside**

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

- **Targeted Needs Set Aside**

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

- **Permanent Housing Set Aside**

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

See also the CoC map above.

- e. *Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

Applicants must demonstrate that the development team possesses the experience and financial capacity necessary to undertake and complete the project, and that the developer has experience with projects of comparable size, financial competent and is involved with Affordable Housing programs. Only applicants that demonstrate adequate capacity and readiness to proceed will be funded with HTF. Applicants must demonstrate that the prospective site has all zoning entitlements, is already owned through title or for which

conditional (contingent upon successful Environmental Provisions process) purchase contract exists.

**Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)**

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application and site control
- Timeliness determined through the Threshold Requirements completion
- Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

Property Portfolio – Include the applicant’s portfolio of projects/properties that evidence competent management oversight, have adequate funding. If the applicant is not managing the property, the management company is consulted to answer these questions for the management company.

Management Capacity –The current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

- f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.*

Applicants will be evaluated on the number of projects based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

- g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.*

HTF funds will be provided only to projects that demonstrate financial feasibility during the required 30-year period. Based on information submitted and other relevant information

available, department staff will analyze and adjust the financial considerations in accordance with the QAP. A review of development costs, permanent financing sources and amounts, public funding amounts, Developer Fees, projected rents, projected Operating Expenses, vacancy rates, and other financial considerations of a Project and reserves the right to contact lenders and syndicators directly to obtain additional information. Based on its review, adjustments may be needed to ensure that proposed sources and uses of funds and other financial considerations are reasonable.

- h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

HTF applications will be consistent with the State's Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low-income persons are consistent with the Housing Priority Need and is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2020 – 2024 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

1. The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:
  - a. Promoting additional affordable rental housing and preservation of affordable rental housing in selected markets.
  - b. Promoting housing preservation by improving the quality of Nebraska's existing affordable housing.
  - c. Enhances statewide understanding of fair housing law through outreach and education.
2. The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.
  - a. Provides appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless.
  - b. Provide needed services to people who are homeless or at imminent risk of becoming homeless.
3. Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.
4. Describe how the proposed project impacts the community.

- i. *Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".*

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

A layering analysis will be performed during the underwriting process that takes into account all public subsidies to prevent excessive use of Federal Subsidy. The overall project financing for the proposed HTF project to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes.

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes.

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes.

- Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds. The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area. If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

During 2024, the State will adopt the maximum per unit subsidy limits used in the HOME Investment Partnerships Program. This will enable Nebraska and its development partners to obtain additional experience using HTF to create affordable rental housing for ELI households. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements.

The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska. The current limits include a calculation based on the Section 234 Basic (Elevator type) Limit up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits (as of 4/7/2023).

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Base		\$ 72,088.00	\$ 82,638.00	\$ 100,490.00	\$ 130,002.00	\$ 142,701.00
All Nebraska and Iowa PJs/Counties	240%	\$ 173,011.20	\$ 198,331.20	\$ 241,176.00	\$ 312,004.80	\$ 342,482.40

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs per unit of affordable rental housing properties in Nebraska for the past few years. While there is a variation in individual project costs, there is relatively little variation in the average per unit costs in various locations throughout the state, in both rural and urban areas. Because of the relatively consistent development costs throughout the state, Nebraska chooses to utilize the HOME per unit subsidy limits as these limits are existing and an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

Below is further evidence to support the decision to utilize the above mentioned per unit subsidy limits. The HUD Cost Allocation Tool is utilized during underwriting of the projects. The information below is from the approval of the number of units and proposed investment into the projects. Projects approved for HOME & HTF funding in 2023 are listed and currently working through special condition items of the contract or under construction.

2023 Approved Projects- Underwriting during application submission

HOME   HTF Projects Examples	Fairview Villas LLC	12656 Weier, LLC – Millard Landing
<b>Location</b>	Hastings, Adams County	Omaha Douglas County
<b>Base Project Cost</b>	\$5,746,720.00	\$10,755,000.00
<b>Project Type</b>	New Construction Rental	New Construction Rental
<b>Number of Units</b>	28	52
<b>Total Cost Per Unit</b>	2 Bedroom - \$205,239.00	2 Bedroom \$206,818
<b>Unit Description</b>	28 Senior Duplexes	52 – 2 Bedroom Apartments
<b>Maximum Project Subsidy Proposed Investment</b>	964,704.00	\$1,205,880.00

8. **Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below. In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

The State has established rehabilitation standards that are used for housing rehabilitation projects. These standards are included as Appendix 4.1. These standards provide detail on what work is required, how that work should be performed and what materials should be used. The State's standards address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;
- State and local Codes, Ordinances, and Zoning Requirements; and
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A



10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan.

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income (thirty percent 30% AMI or lower) population. The groups listed have also been identified in the action plan.

**Supplemental Information for State Limited Beneficiaries or Preferences**

A portion of HTF funds will be used for the creation and rehabilitation of permanent housing throughout the state. Within this distribution category, preference will be given to persons who are homeless; persons at risk of becoming homeless; and other special needs populations.

In addition, a portion of HTF resources will be used for the creation of additional housing for the targeted needs populations, including populations that may include children aging out of foster care, and other populations that are extremely low income with housing shortages throughout the state. Preferences will be made for those populations served through the HTF Targeted Needs category.

Within the joint NIFA/DED LIHTC application cycles, a portion of HTF resources will be utilized. One cycle for the 4% tax bond and two cycles within LIHTC 9% tax credit. (One cycle is the competitive cycle for applicants throughout the State of Nebraska. The other cycle is the CRANE cycle which gives preference to special needs populations as defined within the CRANE application.) Currently this includes Housing for individuals with special needs (such as physical or mental disabilities, substance abuse issues, homeless, or those experiencing severe economic distress), including housing for populations with incomes below 30% of the applicable Area Median Income (AMI). At least 30% of the units must serve individuals with special needs.

During the development of the State’s HTF Allocation Plan, within the citizen participation process, several respondents identified the need for additional permanent houses for ELI persons and this was one of the reasons that the Permanent Housing Set Aside was established within the Allocation Plan.

In addition, within both the Consolidated Plan and the State’s Annual Action Plan, the State discussed the need to continue to find ways in which to provide additional permanent housing for Extremely Low-Income persons, including those who are homeless or at risk of homelessness.

This limited beneficiary preference also supports the actions planned to reduce the number of poverty-level families which includes utilizing a strong relationship with the Continuum of Care system in order to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations.

Other evidence that supports the need for creating a priority for permanent housing is through the findings within the State’s “Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska” which is referenced in the State’s AAP and also at: [https://opportunity.nebraska.gov/wp-content/uploads/2022/02/NCHH\\_OpeningDoors\\_StateofNE10YearPlantoPreventandEndHomelessness.pdf](https://opportunity.nebraska.gov/wp-content/uploads/2022/02/NCHH_OpeningDoors_StateofNE10YearPlantoPreventandEndHomelessness.pdf).

Overall, there continues to be a significant unmet need for permanent housing throughout the state, particularly for ELI persons. HTF resources will be used to further decrease that unmet need.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A

**Discussion:**

See above and refer to the Appendix.

## 2024 Estimated Allocation Table

Source	Funding Sources							Total
	CDBG	HOME	HTF	ESG	HOPWA	NAHTF	HSATF	
	Federal	Federal	Federal	Federal	Federal	State	State	
<b>Total 2024 Allocation*</b>	<b>\$10,721,650.00</b>	<b>\$4,587,520.00</b>	<b>\$3,066,413.24</b>	<b>\$1,000,733.00</b>	<b>\$848,459.00</b>	<b>\$12,750,000.00</b>	<b>\$1,172,026.00</b>	<b>\$34,146,801.24</b>
<i>State Administration, Operations, &amp; Technical Assistance</i>	<i>\$421,649.50</i>	<i>\$458,752.00</i>	<i>\$306,641.32</i>	<i>\$75,054.97</i>	<i>\$25,453.00</i>	<i>*</i>	<i>\$75,000.00</i>	<i>\$1,362,550.79</i>
<i>2024 Allocation available to Eligible Applicants</i>	<i>\$10,300,000.50</i>	<i>\$4,128,768.00</i>	<i>\$2,759,771.92</i>	<i>\$925,678.03</i>	<i>\$823,006.00</i>	<i>\$12,750,000.00</i>	<i>\$1,097,026.00</i>	<i>\$32,784,250.45</i>
<b>Total Prior Year Resources Not Obligated</b>	<b>\$6,814,391.18</b>	<b>\$2,138,415.88</b>	<b>\$1,921,680.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$10,874,487.06</b>
<b>Program Income - Total</b>	<b>\$9,559,395.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$9,559,395.00</b>
<i>Program Income - State RLF</i>	<i>\$5,379,288.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>
<i>Program Income - Local (Appendix 2.2)</i>	<i>\$4,180,107.00</i>	<i>\$0.00</i>	<i>\$0.00</i>		<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$27,095,436.18</b>	<b>\$6,725,935.88</b>	<b>\$4,988,093.24</b>	<b>\$1,000,733.00</b>	<b>\$848,459.00</b>	<b>\$12,750,000.00</b>	<b>\$1,172,026.00</b>	<b>\$54,580,683.30</b>
<b>TOTAL TO DISTRIBUTE TO ELIGIBLE APPLICANTS</b>	<b>\$22,493,679.68</b>	<b>\$6,267,183.88</b>	<b>\$4,681,451.92</b>	<b>\$925,678.03</b>	<b>\$823,006.00</b>	<b>\$12,750,000.00</b>	<b>\$1,097,026.00</b>	<b>\$53,218,132.51</b>

## Administration, Operations, &amp; Technical Assistance Calculations

CDBG: A portion of the allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a).

HOME: 10% of the HOME Allocation will be reserved for state administration.

HTF: Up to 10% of the allocation will be used for state administration.

ESG: 7.5% will be set aside for state administration to provide technical assistance and program support.

HOPWA: Up to 3% of the allocation can be used for state administration.

NAHTF: State Administration for the NAHTF program comes from the State of Nebraska's main line budget bill for the biennium.

HSATF: Per State statute 68-1601 to 68-1608, up to \$75,000 may be set aside for administration costs. HSATF does not include non-matching HSATF funds.

2024 Estimated Categorical Distribution Table

Funding Source	Priorities						State Administration	Total
	Affordable Housing	Community Development	Economic Development	Public Service	Homeless Services	HOPWA Services		
<b>CDBG (Allocation/Carryover)***</b>							\$421,649.50	<b>\$16,453,204.89</b>
<i>Downtown Revitalization</i>		\$3,402,960.84						
<i>Economic Development</i>			\$4,125,942.56					
<i>Planning</i>		\$513,274.33						
<i>Public Works - Infrastructure</i>		\$2,873,353.23						
<i>Public Works - Facilities</i>		\$2,873,353.23						
<i>Tourism Development</i>			\$2,242,671.20					
<b>CDBG State RLF</b>								<b>\$5,379,288.00</b>
<i>Economic Development</i>			\$5,379,288.00					
<b>HOME</b>							\$458,752.00	<b>\$7,244,308.00</b>
<i>CHDO Project</i>	\$1,500,000.00							
<i>CHDO Operating</i>	\$160,000.00							
<i>LIHTC Competitive/LIHTC Set-Aside</i>	\$5,125,556.00							
<b>HOPWA</b>						\$823,006.23	\$25,453.00	<b>\$848,459.23</b>
<b>ESG (NHAP)</b>					\$925,678.00		\$75,054.03	<b>\$1,000,733.03</b>
<b>HSATF (NHAP)</b>					\$3,225,000.00		\$75,000.00	<b>\$3,300,000.00</b>
<b>HTF</b>							\$300,000.00	<b>\$5,401,452.00</b>
<i>LIHTC Competitive/LIHTC Set-Aside</i>	\$1,700,484.00							
<i>Permanent Set Aside</i>	\$1,700,484.00							
<i>Targeted Needs Set Aside</i>	\$1,700,484.00							
<b>NAHTF</b>	\$12,750,000.00						**	<b>\$12,750,000.00</b>
<b>TOTAL</b>	<b>\$24,637,008.00</b>	<b>\$9,662,941.63</b>	<b>\$11,747,901.76</b>		<b>\$4,150,678.03</b>	<b>\$823,006.00</b>	<b>\$1,355,909.47</b>	<b>\$52,377,444.89</b>

Funding Source Notes:

CDBG: Amounts include the proposed estimated 2024 allocation, carryover from previous years, and State CDBG program income. The Local CDBG Program Income is not included within this table.

CDBG: The estimated CDBG carryover is \$6,814,391.18, this amount contains funding from the 2023 allocation which is required to be obligated within 15 months of the executed grant agreement between the State and HUD. During the last three months, as described in the 2023 Annual Action Plan these funds may be reallocated to other categories as needed to ensure timely distribution.

HSATF: The Priority excludes ineligible ESG funding activities and entitlement Regions 6 and 7 (non-matching funds)

NAHTF: State Administration for the NAHTF program comes from the State of Nebraska's main line budget bill for the biennium.

## 2024 Application Cycles

Funding Source	Application Cycle
<b>Community Development Block Grant (CDBG)</b>	
▪ Downtown Revitalization	Due: September 15, 2024
▪ Economic Development	Open Cycle: begins July 1, 2024
▪ Planning	Due: September 15, 2024
▪ Public Works - Infrastructure	Due: September 15, 2024 Additional Cycles: To Be Determined
▪ Public Works – Facilities	Due: September 15, 2024 Additional Cycles: To Be Determined
▪ Tourism Development	Open Cycle: begins July 1, 2024
<b>HOME Investment Partnerships Fund</b>	
▪ CHDO	Open Cycle
▪ LIHTC 9% Competitive Cycle – Joint Application	Due: May 9, 2024
▪ LIHTC 4% Bond Allocation Cycle – Joint Application	Due: November 28, 2024
▪ LIHTC 9% -CRANE	Open Cycle
<b>Housing Opportunities for Persons with AIDS (HOPWA)</b>	
	Open Cycle
<b>NHAP (Emergency Solutions Grant/ Homeless Shelter Assistance Trust Funds)</b>	
▪ HMIS	RFA Released: September 15, 2022 Due: October 24, 2022
▪ Regional Funds	RFA Released: January 12, 2024 Due: February 19, 2024
<b>National Housing Trust Fund</b>	
▪ LIHTC 9% – CRANE	Open Cycle
▪ LIHTC 9% Competitive Cycle – Joint Application	Due: May 9, 2024
▪ LIHTC 4% Bond Allocation Cycle – Joint Application	Due: November 28, 2024
▪ Permanent Set Aside	Open Cycle
▪ Targeted Needs Set Aside	Open Cycle
<b>Nebraska Affordable Housing Trust Fund</b>	
<i>Housing Projects &amp; Non-profit Technical Assistance Cycle</i>	
▪ Pre-Application	Due: March 7, 2024
▪ Full Application	Due: May 9, 2024

## Appendix, Section 2.1

### CDBG Administration Manual, CHAPTER 8: PROGRAM INCOME

Program income for the CDBG program is regulated by the provisions of 24 CFR 570.489(e). This regulation should be consulted for definitions and for other guidance concerning program income.

Broadly, program income is defined as gross income received by a State, a unit of general local government (subrecipient), or a subgrantee of the unit of general local government generated from the use of CDBG funds regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used.

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is seeking to provide a policy for use of program income that coordinates local and State resources to the fullest extent possible. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations.

### PROGRAM INCOME FURTHER DEFINED

Per 24 CFR 570.489(e), program income includes, but is not limited to, the following:

- 1) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government (subrecipient). [See also 24 CFR 570.489(e)(2)(v)];
- 2) Proceeds from the disposition of equipment purchased with CDBG funds;
- 3) Gross income from the use or rental of real or personal property acquired by the unit of general local government (subrecipient) or subgrantee of the unit of general local government (subrecipient) with CDBG funds, less the costs incidental to the generation of the income;
- 4) Gross income from the use or rental of real property, owned by the unit of general local government (subrecipient) or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- 5) Payments of principal and interest on loans made using CDBG funds, except in instances where "Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government (subrecipient), toward a loan from the local government (subrecipient) to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;" [See also 24 CFR 570.489(e)(2)(iii)];
- 6) Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- 7) Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- 8) Interest earned on funds held in a revolving fund account;

- 9) Interest earned on program income pending disposition of the income;
- 10) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low- and moderate-income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and
- 11) Gross income paid to a unit of general local government (subrecipient) or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

## REVOLVING LOAN FUNDS DEFINED

Per 24 CFR 570.489(f), A revolving loan fund (RLF), for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the U.S. Treasury for RLF activities.

## CDBG STATE REVOLVING LOAN FUND (State RLF)

CDBG program income returned to the Department is deposited within the State RLF. The State awards funding from the State RLF through the CDBG Economic Development (ED) Category. Following a successful application, these funds are awarded to local governments (subrecipient) to provide a direct loan to a business either through the NDO process or direct loan from the local unit of government (subrecipient).

Projects funded with the State RLF must meet CDBG requirements, including meeting a CDBG National Objective through Benefitting Low and Moderate Income Persons through the subcategory of job creation/job retention (LMJ).

## **CDBG Allocation vs CDBG State RLF**

When a community applies through the CDBG Economic Development (ED) category, the Department determines whether or not CDBG funds from the Annual Allocation or the State RLF based on funding available as appropriate for the project.

## Program Income – idle accounts must be returned

Program Income, including those funds held in an RLF and/or reuse account, cannot be held in perpetuity. Where a local government (subrecipient) has Program Income within such an account, if funds are not actively revolving, it may meet the definition of an Idle Account. Funds that are held for 12 months or more without accomplishment or beneficiaries is considered an “idle” account.

PI/RLF accounts are defined as “idle” if one or more of the following is true:

- 1) Local government (subrecipient), or its agent(s), did not identify an eligible project during a 12-month period.
- 2) Local government (subrecipient) has funds obligated/awarded but not disbursed within 12 months of the date of the commitment and/or award (i.e., “failed project”).

**Active accounts** have active projects with a letter of commitment/award that is dated and signed by an authorized official (i.e., the chief elected official). Account activity for determining an “idle” status does not include “non-project” activities such as transferring (or repurposing) funds, charging administrative costs or collecting program income from past transactions (e.g., interest, loan repayments, etc.), etc.

The Department will determine if the local unit of government program income account is idle. The Department will evaluate the local program income account semi-annually. Those local unit of government program income accounts that are deemed “idle” the balance and all future funds to DED. Local government must return Idle Account funds to DED, and annually thereafter. Returned funds will be deposited into the State’s RLF. Funds held in an Idle Account must be returned in a timely manner (i.e., 60 days of the state’s fiscal yearend) or the local government will not be considered in “good standing” and additional sanctions may apply, including de-obligation/termination of existing open grants and/or ineligibility to apply for DED resources. This includes CDBG, HOME, HTF and state programs such as CCCFF and NAHTF. For additional information about “good standing”, please see Chapter 2 – Administrative Overview.

## How to repurpose Local program income

On August 15, 2019, Policy Memo 19-03 was issued by the Department allowing local governments to amend their Reuse Plans/RLFs, including making amendments due to Emergency/ Disaster Declarations. Communities have the option to repurpose their local program income with written approval from the Department. As community needs change, program income reuse plan activities may be expanded to include eligible CDBG activities and must meet the low-and moderate income (LMI) national objective. Below is additional guidance:

- Eligible CDBG Activities

Refer to the CDBG Administration Manual, Chapter 3 for the list of eligible CDBG Activities that Nebraska has identified as priority activities.

- Eligible National Objective:

Benefit low- and moderate-income (LMI) persons within the subcategories of

- 1) Area Benefit (LMA);
- 2) Limited Clientele (LMC);
- 3) Housing (LMH); and
- 4) Job Creation/Retention (LMJ).

**NOTE:** local PI/RLF must use the LMI national objective; therefore, are **not allowed** to use the national objectives of 1) aid in the prevention of slums or blight nor 2) urgent need. At the discretion of DED and in very limited circumstances, waivers may be granted. HUD regulations require a majority of program income funds – including those held by local governments – to meet the National Objective of benefitting LMI persons. For activities meeting an Urgent Need, local governments may apply under the CDBG Emergent Threat category.

- Amending Reuse Plan

If Local Government determines a need to amend their Reuse plan, they need to contact the Department regarding the process and proposed changes. To amend the Reuse Plan, the Local Government must submit the following items to the Department:

- Letter from the Chief Elected Official identifying:
  - Reason for the change of the Reuse plan,
  - Certification of approval by the local governing body (meeting minutes)
- Copy of the proposed Reuse plan

The Department will notify the local government of the results of their review for the proposed amended Reuse Plan. **The Department must approve the proposed amended Reuse Plan prior to implementation.**

## Local Economic Development (ED) Program Income



## **PROGRAM INCOME AND “CONTINUING THE SAME ACTIVITY”**

The local government may retain program income if used to continue the activity from which it was derived, per Federal regulations; otherwise, the State may require the return of program income. The State is permitted to define “continuing the same project activity.”

For the purposes of program income, the State defines “continuing the same project activity” as:

- **Existing Local ED Revolving Loan Fund:** For local governments with existing program income in an existing Local ED Revolving Loan Fund, or who are currently utilizing the NDO process, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the subrecipient’s Department-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- **No Existing Local ED Revolving Loan Fund (e.g., local unit of government has not established a local ED Revolving Loan Fund):**
  - For ED subrecipients, program income that was generated from the use of CDBG funds for the awarded activities may utilize the NDO process. In the instance where the NDO process is utilized, continuing the same project activity is defined as providing assistance for the same CDBG eligible activities as defined in the subrecipient’s Department-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
  - For ED subrecipients, program income generated from the use of CDBG funds awarded activities may be deposited into a newly created Local ED Revolving Loan Fund account. Any program income that is deposited through this process, continuing the same project activity is defined as providing assistance to the same business for the same activity for which it was originally funded.

## **Local Economic Development Program Income Revolving Loan Funds (Local ED RLF) Policy**

The following rules apply to Local Economic Development Program Income Revolving Loan Funds (RLFs):

- All Local ED RLF must be kept in a separate bank account (interest-bearing).
- All Local ED RLF must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the Local ED RLF cannot exceed 5% of the Program Income received during the semi-annual reporting period.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a Local ED RLF are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a Local ED RLF, shall in no case, have a balance that exceeds \$500,000. Any amounts in excess of \$500,000 shall be returned to the State.
- Re-purposing is allowed, and requires special procedures and an approved Re-Use Plan by DED.
- DED requires funds held in an **Idle Account** be returned.

## **Local Economic Development Program Income and Units of General Local Government**

The unit of general local government (UGLG) has the following options for utilizing CDBG program income, including:

- Returning the program income funds to the Department;
- Using the program income within an existing Local ED RLF;
- Establishing a Local ED RLF; or
- Utilizing the NDO process.

Below are the specific requirements that relate to the options each unit of general local government have for their use of program income.

### **Returning Program Income Funds to the Department**

The local government may return program income to the Department using one of the three processes described below.

Where **no Local RLF exists**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income funds are being returned and
- 2) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG funds that the community is returning. (check identifies CDBG grant origination)

Any future program income payments a community may receive, and will be returning to the Department, should be collected by the local government and those funds should be returned to the Department once there is a reasonable balance (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

Where there is an **existing Local RLF, if a local government wishes to return program income and to discontinue the Local RLF**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF and that the local government is discontinuing the Local ED RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 3) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would also be returned to the Department.

Where a local government wishes to **return program income that is in an Existing Local ED RLF and continue to operate the Local ED RLF**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 3) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local ED RLF.

### **Use of Program Income – Existing Local ED Revolving Loan Fund**

In order to retain CDBG program income, and the local government chooses to utilize an existing Local ED RLF, the local government will do so by completing the following steps:

- 1) The local government must provide the Department with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i. The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
    - ii. The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii. The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;
    - iv. The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v. The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
    - vi. The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically meeting the national objectives through LMJ, LMC, or LMA.
    - vii. The local government understands that the Department must approve their Local Reuse Plan.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to the Department. The Department will apply the funds to the State CDBG RLF.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.

- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED RLF must be consistent with the requirements of Revised Local Reuse Plan that must be approved by the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local ED RLF must be locally monitored and the amount of program income within the Local ED RLF must be reported to the Department. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, proposed and actual jobs created (or retained) beneficiary data, and amendments to the original loan or lease agreement, as required by the Department.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local ED RLF is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.
- 6) Local governments that are currently operating a Local ED RLF and choose to discontinue the operation of the Local ED RLF can return the funds to the Department by following the requirements for “Returning the program income funds to the Department” as noted above.

In addition, the State schedules monitoring with all local governments who have operated or continue to operate a Local ED RLF. At its discretion, the **Department will conduct monitoring**. The State will review loans from previous Program Years. The monitoring will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions for the specific compliance issues discovered.

The Department enters into a CDBG Contract with the local government for each new (original, State-funded) CDBG Project. The Contract includes a process for handling program income generated by the project. The Contract details the procedures for the expected Program Income that is unique to that project.

### **Establishing a Local ED Revolving Loan Fund**

In order to retain CDBG program income, and the local government chooses to establish a Local ED RLF it will do so by completing the following steps:

- 1) The local government must provide the Department with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” that is defined for new ED projects as noted above and includes “providing assistance to the same business for the same activity for which it was originally funded.”
- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;

- c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
- d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
  - i. The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
  - ii. The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
  - iii. The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;
  - iv. The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
  - v. The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
  - vi. The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically low- to- moderate jobs.
  - vii. The local government understands that all projects funded through the Local ED RLF must meet a CDBG National Objective; and
  - viii. The local government understands that the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to the Department. The Department will apply the funds to the State CDBG Revolving Loan Fund.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED Revolving Loan Fund must be consistent with the requirements of the Local Reuse Plan that must be approved by the Department prior to the local government approving any applications for activities.
- 4) All program income within the Local ED Revolving Loan Fund must be locally monitored and the amount of program income within the Local ED RLF must be reported to the Department. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, proposed and actual jobs created, and amendments to the original loan or lease agreement, as required by the Department.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from

the Local ED Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.

- 6) Local governments that are currently operating a Local ED Revolving Loan Fund and choose to discontinue the operation of the Local ED Revolving Loan Fund can return the funds to the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED RLF. The State will review loans from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered, including returning of funds to the State.

### **Utilizing the NDO Process**

A local government may seek to form a subgrantee relationship with a local nonprofit organization to carry out the CDBG activities on behalf of the local government. The local government funded by the State for an ED project, or a local government with an existing Local ED RLF, would grant the CDBG funds awarded to a Nonprofit Development Organization (NDO), such as a community development organization or a local economic development corporation. The NDO must be recognized (through an application process) by the State according to the requirements of 24 CFR 570.204 to carryout funded activities through a contract with the local government (subrecipient)for activities in which it retains a direct and controlling involvement and responsibilities for the provision of financial assistance to the community’s ED project.

The activity carried out by the NDO must meet the requirements of Section 105 (a)(15) of the Housing and Community Development Act (HCDA). Section 105 (a)(15) provides the provision, which allows as eligible assistance to neighborhood based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization and community economic development projects.

The NDO process includes, but is not limited to, the following:

- The local government, which is a recipient of CDBG Allocation, wishes to make a loan to a for-profit business for economic development activities in accordance with the State’s program requirements.
- The local government executes an agreement with the NDO, which executes the loan agreement for the CDBG funds loaned to the for-profit business. The NDO, the local nonprofit organization, would use the repayment of the funds from the for- profit business to make additional loans, such as for economic development activities.
- The repayment of the CDBG loan is made to the NDO, and not to the local government, and the NDO retains the payments for future use through a Revolving Loan Fund (RLF), which includes a NDO Reuse Plan approved by the Department through the NDO designation application process. The approved NDO Reuse Plan must ensure that activities funded by the RLF meet broad based economic development investments. The funds repaid to the NDO to continue economic development activities would not be considered program income.
- The NDO reinvests in the community through its established RLF, which can fund additional loans in the service area of the NDO.

For new CDBG Economic Development grants, the local government (subrecipient) and the NDO must submit a proposal to the State authorizing the approval of an arrangement between the local government and the NDO for the NDO to carry out the funded activities on behalf of the local government and for repayments to go to the NDO's RLF. The designated NDO must have already received approval from the Department and will have an approved NDO Reuse Plan in place.

Overall, the NDO would carry out the activities of the grant awarded to the local government for assistance to the for-profit business. During this period, the local government would ensure that all CDBG rules and regulations were followed for this initial loan. The repayments from the business to the NDO would not be considered program income, provided that a National Objective has been achieved. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the Department approved NDO Reuse Plan established by the NDO. The NDO would reinvest funds in broad-based economic development activities.

Local governments currently operating a Local ED RLF may choose to enter into an agreement with a designated NDO to carry out activities with the Local ED RLF. The NDO must be designated by the Department and operate the RLF with a Department-approved NDO Reuse Plan. The NDO must also include the local government in its service area. Once the funds are repaid to the NDO, provided that a national objective has been achieved, the funds would no longer be subject to the CDBG federal rules and regulations, thus providing a pool of Revolving Loan Fund dollars subject only to the requirements of the NDO Reuse Plan.

It will be the responsibility of the local government, in coordination with the NDO, to determine the entity responsible for carrying out the activities of the ED project and the entity who will be responsible for administering the project. In some instances there may be one entity carrying out the project activities and a separate entity administering the grant. Grant administration and carrying out CDBG activities on behalf of the local government (subrecipient) are two separate activities.

## LOCAL HOUSING PROGRAM INCOME

The unit of general local government (UGLG) has the following options for utilizing CDBG housing program income that unit of local government may receive. These options include:

- 1) Returning the program income funds to the Department;
- 2) Retaining the program income and using it to continue the same CDBG eligible housing activities;
- 3) Using the program income within an existing Local Housing Revolving Loan Fund (RLF) on CDBG eligible housing activities; or

### **PROGRAM INCOME AND “CONTINUING THE SAME ACTIVITY”**

Federal regulations also allow the State to require the return of program income provided the local government has an opportunity to retain the program income if the program income will be used to continue the activity from which it was derived. For the purposes of program income, the State defines “continuing the same project activity” as owner occupied rehabilitation and homeownership assistance.

### **LOCAL HOUSING REVOLVING LOAN FUND VS. REUSE ACCOUNT**

Per 24 CFR 570.489(f), a **Revolving Loan Fund (RLF)**, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the Treasury for RLF activities. Such program income is not required to be disbursed for non-revolving fund activities.

**As of June 30, 2020, no new Housing RLFs will be approved by the Department.**

A **Reuse Account** is a separate fund established to carry out specific activities that do not generate payments to the account. Per 24 CFR 570.489(e)(3)(ii)(B), if the grant between the State and the unit of local government that generated the program income is still open when it is generated, it will be considered part of the unit of local government’s grant that generated it and must be disbursed before additional grant funds are drawn down from the Treasury for grant activities. If the grant is closed out, the program income will be considered to be part of the unit of general local government’s most recently awarded open grant, regardless of activity.

### **HOUSING PROGRAM INCOME FUNDS POLICY**

The following rules apply to CDBG Housing Program Income Reuse Accounts and Revolving Loan Funds (RLFs):

- All housing program income must be kept in a separate bank account (interest-bearing).
- All housing program income accounts must employ or contractually retain a CDBG Certified Administrator.
- Certain administrative costs, including those associated with general administrative and housing management, taken from the housing program income account cannot exceed the limits set forth in the grant specific program guidelines, approved by the Department, and based on the income received. See Chapter 4 for details.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a housing program income account are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a housing program income account, shall in no case, have a balance that exceeds \$500,000. Any amounts in excess of \$500,000 shall be returned to the State.
- DED requires funds held in an **Idle Account** be returned

Below are the specific requirements that relate to the option that the unit of general local government has chosen for its use of program income.



## **Returning Program Income Funds to the Department**

The local government may return program income to the Department using one of the three processes described below.

### **No Local Housing RLF exists**

Where **no Local Housing RLF exists**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income funds are being returned; and
- 2) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG funds that the community is returning. (check identifies CDBG grant origination)

Any future program income payments a community may receive, and will be returning to the Department, should be collected by the unit of local government and those funds should be returned to the Department once there is a reasonable balance (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

### **Existing Local Housing RLF and Discontinuing Operation**

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and discontinue the Local Housing RLF**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing RLF and that the local government is discontinuing the Local Housing RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 3) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds the community is returning.

Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to the Department.

### **Existing Local Housing RLF and Continuing Operation**

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and continue to operate the Local Housing RLF**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 3) Sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local Housing RLF.

## **Retaining the Program Income in a Reuse Account and Using it to Continue the Same CDBG Eligible Housing Related Activities**

In order to retain CDBG program income, the unit of local government will maintain their program income in a Local CDBG Program Income Account and adopt a Local Reuse Plan that includes a detailed description of the local government, and includes administration and priorities of the program income projects to be approved by the local government which are consistent with the definition of “continuing the same project activity” as described above.

A local government’s Local Reuse Plan must state that all projects will consist of activities that benefit low-to-moderate income persons, specifically low-to-moderate income housing as defined within the local government’s Department-approved Local Reuse Plan, as part of the local government’s contractual requirements with the Department.

At any time, a local government will have the option to discontinue utilizing the housing program income and return it to the Department. The Department will apply the funds to the State CDBG Revolving Loan Fund (also known as the State Revolving Loan Fund).

At the end of the calendar year, if the total amount received in a Reuse Account by the unit of local government is less than \$35,000(24 CFR 570.489(e)). That amount should be removed from the Local CDBG Program Income Reuse Account and de-obligated to the unit of local government. That amount is no longer reported as program income. This applies to Reuse Accounts only. All program income received within a Local Housing Revolving Loan Fund never loses its identity as program income and should be reported to the Department.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used for additional activities must be consistent with the requirements of the Local Reuse Plan that must be approved by the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing RLF or Local Housing Reuse Account must be locally monitored and the amount of program income within that account must be reported to the Department. Status updates concerning the program income funds shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, grants/loans made, payments received, housing activities, beneficiary data, and amendments to the original loans, as required by the Department.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing RLF or Local Housing Reuse Account is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF or Local Housing Reuse Account.
- 6) Local governments that are currently utilizing a Local Housing RLF or Local Housing Reuse Account and choose to discontinue the operation of that Local Account can return the funds to the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to utilize a Local Housing RLF or Local Housing Reuse Account. The State will review project activities from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

### **Using Program Income – Existing Local Housing Revolving Loan Fund**

In order to retain CDBG program income that is in an existing Local Housing RLF, the unit of local government will have to certify and ensure that the Local Housing RLF is properly established in order to meet the Department requirements. This Local Housing RLF would be utilized for the purposes of retaining CDBG program income, and reusing that program income, for the purposes of carrying out specific housing activities, which in turn, generate payments to the RLF for use in carrying out additional housing activities.

If the local government chooses to utilize an existing Local Housing RLF it will do so by completing the following steps:

- 1) The unit of local government must provide the Department with a written Notice of Intent to use a Local Housing Revolving Loan Fund (Local Housing RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local Housing RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;
    - vi) The local government understands that all projects will consist of housing activities that benefit low-to-moderate income persons;
    - vii) The local government understands that all projects funded through the Local Housing RLF must

- meet a CDBG National Objective; and
- viii) The local government understands that the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the Department. The Department will apply the funds to the State RLF.

**All program income received in a Local Housing Revolving Loan Fund account never loses its identity as program income and should be reported to the Department.**

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State
- 3) Program income funds used from the Local Housing Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing Revolving Loan Fund must be locally monitored and the amount of program income within the Local Housing RLF must be reported to the Department. Status updates concerning the outstanding loans shall be submitted on a semi-annual basis. This semi-annual reporting includes, but is not limited to, loans made, payments received, housing activities, beneficiary data, and amendments to the original loan, as required by the Department.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF.
- 6) Local governments that are currently operating a Local Housing Revolving Loan Fund and choose to discontinue the operation of the Local Housing Revolving Loan Fund can return the funds to the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local Housing Revolving Loan Fund. The State will review project activities from previous Program Years. The monitoring visits will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

## OTHER CDBG PROGRAM INCOME

Program income generated from other CDBG activities would follow the above mentioned steps with the need for any necessary adjustments related to non-economic development or non-housing activities.

## REPORTING PROGRAM INCOME

Local governments are required to report program income from all CDBG projects on a semi-annual basis. Reporting periods are:

- July 1 – December 31: **Report due January 30**
- January 1 – June 30: **Report due July 30**

Separate reporting forms are available for Local ED Program Income and Local Housing Program Income on the Department's website, <http://opportunity.nebraska.gov/CDBG>. In order to report other program income from non-ED or non-housing projects, please contact your Program Representative.

Program Income Reports can be submitted to the Department via email. Follow the Instructions for the each type of report for guidance on reporting and timely submissions. Subrecipients must retain a copy of each Program Income Report in their files.

*Note: Local governments, who retain Local ED Program Income, are also required to submit the "Job Creation/Retention Report" to the Department upon the project meeting the National Objective.*

## AP-90 | CDBG Local Program Income

Per 24 CFR 91.320(k)1(iv), the State of Nebraska authorized local units of government to retain program income or establish local revolving fund accounts (RLFs). Below is a list of local units of government accounts, the estimated amount of funds available (*status of the 12/31 reporting period*) to fund eligible projects during the July 1, 2024 - June 30, 2025 program year. Eligible activities to be carried out with this funding include: water/sewer improvements, street improvements, sidewalks, economic development direct financial assistance to for-profit business, owner occupied rehabilitation, lead-based paint testing and mitigation, housing rehabilitation management, and general administration. The national objective to be used by the authorized local unit of governments include low-moderate income jobs (LMJ); low-moderate income housing (LMH), limited clientele (LMC), and low-moderate income on an area basis (LMA). The number of authorized local units of government will change as the Department reviews the capacity of the local unit of government, and RLFs are discontinued.

	Local Government	Estimated Amount Available
1	Alda	\$32,893
2	Alma	\$12,452
3	Atkinson	\$22,505
4	Auburn	\$7,955
5	Bassett	\$45,796
6	Bloomfield	\$49,468
7	Butler County	\$2,839
8	Cambridge	\$24,169
9	Central City	\$25,531
10	Chadron	\$23,628
11	Clearwater	\$1,925
12	Creighton	\$117,827
13	Crofton	\$26,136
14	Custer County	\$171,035
15	Dawes County	\$400,947
16	Elk Creek	\$11,057
17	Emerson	\$58,897
18	Ewing	\$8,667
19	Fairbury	\$180
20	Falls City	\$13,447
21	Gothenburg	\$85,679
22	Greeley	\$15,151
23	Hebron	\$8,072
24	Humboldt	\$1,772
25	Jefferson County	\$285,003
26	Johnstown	\$49,445
27	Knox County	\$40,796
28	Lancaster County	\$324,656

29	Laurel	\$431
30	Long Pine	\$8,996
31	Loup City	\$1,536
32	Madison	\$3,878
33	Nebraska City	\$345,146
34	Neligh	\$22,089
35	Newman Grove	\$21,333
36	Niobrara	\$49,317
37	Norfolk	\$55,696
38	Ogallala	\$14,235
39	Ord	\$77,333
40	Osmond	\$45,082
41	Oxford	\$170,187
42	Pawnee City	\$30,159
43	Pender	\$62,485
44	Peru	\$4,454
45	Phillips	\$67,350
46	Pierce	\$40,456
47	Plainview	\$103,691
48	Plymouth	\$108,381
49	Ravenna	\$28,298
50	Sargent	\$85,757
51	Schuyler	\$27,902
52	Scribner	\$8,707
53	Sherman County	\$22,931
54	Stanton	\$244
55	Stella	\$11,325
56	Stuart	\$241,949
57	Tecumseh	\$33,157
58	Valentine	\$7,733
59	Verdigre	\$341,910
60	Wheeler County	\$6,424
61	York	\$263,607
	<b>Total</b>	<b>\$4,180,107</b>

## APPENDIX 3.1 | HOME Program Additional Information

### HOME PROGRAM INCOME

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

In general, the Department continues to provide flexibility for housing organizations to use program income, particularly for projects that are funded through the HOME program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that for HOME program income (i.e. reuse funds) an organization should use their program income for the same activities awarded within the original project, or for other housing related activities, as long as the activities are HOME-eligible activities. This information would be noted within the Grantee's, Department approved, Reuse Plan.

For example, if the Department funds a New Construction project, and program income is received, the Grantee should use the program income for additional new construction activities or for other housing related activities as identified within the Grantee's Reuse Plan (i.e. homebuyer assistance, etc.).

Additional information will be provided regarding the HOME Program Income Requirements within the HOME Application Guidelines.



## **GUIDELINES FOR RESALE OR RECAPTURE OF HOME-FUNDED PROJECTS**

DED structures these guidelines based on individual program design and market conditions.

### **USE OF RESALE PROVISIONS FOR HOME-FUNDED PROJECTS**

The HOME Program (92.254(a)(5)) permits either resale restrictions or recapture. DED has elected not to adopt resale as an option for HOME homebuyer activities, and requires homebuyer projects to adopt the recapture method outlined below.

Resale is required only when there is a community land trust or there is no buyer subsidy, and DED has had neither type of project, nor does it intend to fund any such projects under this Plan. If at any time DED determines that a project will require resale restrictions rather than recapture, it will amend these guidelines under the Annual Plan amendment process and request HUD approval.

### **USE OF RECAPTURE PROVISIONS FOR HOME-FUNDED PROJECTS**

DED requires all homebuyer projects to use the “reduction during affordability period” recapture method permitted by 92.254(a)(5)(ii) as outlined below. The homebuyer project developer must adopt this declining balance method as part of its application and program guidelines submitted as part of the application, and DED incorporates these provisions into the written agreement and the Contract Terms and Special Conditions.

When a homebuyer receives direct homebuyer assistance from HOME funds, recapture provisions are placed on the transaction to ensure that HOME funds are recouped if the housing unit does not continue to be the principal residence of the household for the duration of the HOME-required affordability period.

*Amount subject to recapture:* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but does not include the amount, if any, of development subsidy provided (the amount between the cost of producing the unit and market value of the property).

Any recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of 24 CFR Part 92.254.

If the HOME assistance is only used for development subsidy, and therefore not subject to recapture, the resale option must be used.

*Net proceeds:* the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

When the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit during the HOME-required affordability period, the amount recaptured cannot exceed the net proceeds, if any.

If a home is sold to a subsequent low-income homebuyer, and no additional HOME assistance is provided, then the subsequent homebuyer may assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability).

When HOME recapture funds are received by the DED grantee, these funds must be utilized for additional HOME-eligible activities and must comply with the HOME rules at 24 CFR Part 92 and must also comply with the DED-approved Homebuyer Guidelines or be returned to DED.

## METHOD OF RECAPTURE

The DED grantee must adopt the above provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines.

1. The DED grantee will recapture the entire amount of the HOME investment from the homeowner, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

For example, a homebuyer receives \$10,000 of HOME homebuyer assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year period of affordability. If the homebuyer sells the home after three years, the DED grantee would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy. The homebuyer would receive any net proceeds in excess of \$10,000.

2. The DED grantee will reduce the HOME investment amount to be recaptured during the affordability period, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs. The amount of investment recaptured would be based on a prorate basis for the time the homeowner has owned and occupied the home.

The pro rata amount recaptured by the DED grantee will be determined by: 1) Dividing the number of years the homebuyer occupied the home by the period of affordability, and 2) Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

For example, a homebuyer receives \$10,000 of HOME homebuyer assistance and purchases a home developed with HOME funds for \$10,000 below fair market value. The total direct HOME subsidy to the homebuyer is \$20,000 and requires a 10-year period of affordability. If the homebuyer sells the unit in year 5 of the 10-year period of affordability, the DED grantee would forgive 50 percent of the direct HOME subsidy and recapture 50 percent of the direct HOME subsidy, or \$10,000 of the \$20,000 HOME investment, assuming that there are sufficient net proceeds available.

Using the above mentioned formula of,

$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of affordability}} \times \text{Total direct HOME subsidy} = \text{Recaptured Amount}$$

The DED grantee would receive a recaptured amount of \$10,000.

$$\frac{5 \text{ years (homebuyer occupied the home)}}{10\text{-year affordability period}} \times \$20,000 \text{ HOME funds} = \$10,000 \text{ recaptured}$$

# APPENDIX 4.1 | HTF Rehabilitation Standards

## ATTACHMENT A: NDED National Housing Trust Fund (HTF) | Rehabilitation Standards

### I. PURPOSE OF STANDARDS

- A. The National Housing Trust Fund Rehabilitation Standards (known herein as the “HTF Standards”) are designed to outline the requirements for building rehabilitation for all Nebraska Department of Economic Development (NDED) National Housing Trust Fund (HTF) funded multi-family housing projects. The HTF Standards are applicable to all NDED HTF-funded rehabilitation projects. The HTF Standards, though a requirement specifically to the development entity in direct receipt of NDED HTF funding, are written to provide guidance to all relevant members of a project development team.
- B. The goal of the NDED HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.
- C. If a project is out of compliance with the HTF Standards, the grantee shall bring to the attention of NDED staff the specific portion of the project which does not comply, stating the reasons for non-compliance. NDED staff will make a determination as to whether an exception to the HTF Standards shall be granted.
- D. Note: At the time of publication and adoption of the HTF Standards, the adopted codes referenced are believed to be those in force. As standards and codes change and are put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

### II. QUALITY OF WORK

- A. Quality of Work: Grantees and developers shall ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications as well as subsequent mutually agreed upon change orders during the construction process. Grantees and developers will employ best practice industry standards relating to quality assurance to verify all work completed.
- B. Project Design Professionals
  1. Projects will be designed by licensed professionals per applicable Nebraska Fire & Building Codes.
  2. The project developer will formally contract with licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes. (See Section III below.)
  3. In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices and installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA) Architectural Woodwork Institute, SMACNA, ASTM, AFME, etc.
- C. By meeting the various code requirements as a minimum standard, together with the other standards herein or in attendant NDED policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.
- D. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

### III. CODE COMPLIANCE

- A. All work shall comply with all applicable Nebraska state and local codes, ordinances, and zoning requirements.

Applicable state codes include but are not limited to:

1. ICC, International Building Code (IBC), 2018
  2. International Existing Building Code, 2018
  3. International Energy Conservation Code, 2018
  4. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2018)
  5. International Residential Code, 2018
  6. Nebraska State Fire Code Regulations, Title 153
  7. NFPA 1, Fire Code, 2012
  8. NFPA 101, Life Safety Code, 2012
  9. Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
  10. Nebraska Elevator Statutes, Neb. Rev. Stat. §§48-2501 to 48-2533; and Code, Title 231, Chapter 1
  11. ADA Standard for Accessible Design, 2010
  12. Nebraska Department of Economic Development Minimum Standards for Rehabilitation
- B. Please note that the NDED HTF grantee must demonstrate compliance with all state and local codes through project affiliation with professional design team drawing certifications (e.g. architectural design stamp) and/or other approved methods such as state inspector certification.
- C. A code review analysis will be produced by the project's design professionals itemizing the applicable codes for each area of discipline.
- D. The HTF Standards are designed to exceed the Uniform Physical Condition Standards (UPCS) and ensure that upon completion, the HTF-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. See Attachment B attached hereto for a list of Inspectable Items and Observable Deficiencies, including descriptions of the type and degree of deficiency for each item that any HTF-assisted project must address, at a minimum.

### IV. HEALTH AND SAFETY

- A. If the housing is occupied at the time of rehabilitation, any life-threatening deficiencies must be identified and addressed immediately. See Attachment B for a list of Inspectable Items and Observable Deficiencies, including the identification of life-threatening deficiencies (highlighted in orange) for the property site, building exterior, building systems, common areas, and units.

### V. SCOPE OF WORK DETERMINATION

- A. In developing scopes of work, grantees and developers will work with NDED to ensure that all requirements under the HTF Standards are satisfied and that the proposed scope of work meets the goals of Part I above. NDED approval of all scopes of work is required.

### VI. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING

- A. In developing scopes of work on housing rehabilitation projects NDED HTF grantees and developers will consider the remaining expected useful life of all building components with regard to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (30 years) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years shall be considered for future replacement. For multifamily housing with 26 or more total units, the useful life of systems must be determined through a capital needs assessment that determines the work to be performed and identifies the

long-term physical needs of the project.

- B. Project capital needs assessments (CNAs) are required for multifamily housing with 26 or more total units; the CNA's must determine the useful life of systems and the work to be performed, including identifying the long-term physical needs of the project. The industry standard period for CNA's is 20 years; however, project CNA's must be updated every five years during the life of the project to ensure projected capital needs through the 30-year HTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C. Once a scope of work has been developed by the grantee and their development team, the grantee must also develop a capital plan in compliance with the Capital Needs Assessments. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate funding to be viable for at least 20 years, the length of the capital plan, with subsequent updates every five years during the 30-year affordability period.
  - Example #1: Kitchen cabinets with a remaining useful life of 8 years may be permitted to be left in place and not included in the rehabilitation scope. However, adequate funding shall be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
  - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since NDED requires updates of CNA's to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6-25. During these 5-year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Monthly replacement reserves contributions of at least \$50 per unit per month are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent 5-year updates) indicate that replacement costs for the period exceed the amount generated by a \$50 per unit per month contribution, a higher per unit per month contribution will be required.
- E. Grantees and their development teams should ensure that all building components are analyzed as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way which maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.

## **VII. ENERGY EFFICIENCY**

- A. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code, Nebraska Uniform Energy Efficiency Codes, and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
- B. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.

## **VIII. DISASTER MITIGATION**

- A. To the extent applicable/relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. tornadoes, floods, wildfires) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.
- B. Specifically regarding flood hazards, a relevant potential natural disaster for the State of Nebraska:

1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
  2. Projects shall meet fluvial erosion prevention requirements per local municipality regulations.
- C. Specifically regarding tornadoes, another relevant potential natural disaster for the State of Nebraska:
1. Projects shall meet applicable federal, state, and local codes and design considerations will be made for ensuring new construction includes a basement (if applicable and feasible) or a safe room. Rehabilitation of existing properties will include an evaluation of tornado safety features within the property.
  2. Applicable FEMA guidance will be consulted, as appropriate, including FEMA P-320 "Taking Shelter from the Storm: Building a Safe Room for Your Home or Small Business" and FEMA P-361 "Safe Rooms for Tornadoes and Hurricanes: Guidance for Community and Residential Safe Rooms, Third Edition (2015)" found at:
  3. <https://www.fema.gov/fema-p-320-taking-shelter-storm-building-safe-room-your-home-or-small-business> and <https://www.fema.gov/media-library/assets/documents/3140>

## **IX. BIDDING AND PROJECT MANAGEMENT**

- A. All projects will be bid in accordance with procurement provisions of federal law found at 2 CFR §§200.318 through 200.326 and State Law which applies to all NDED HTF-funded projects. Grantees and developers will submit a project management plan with their application which will outline how the project will be managed (e.g. General Contractor (GC) bid project, Construction Management (CM) project or other project management plan). Any changes to project management operational structure which substantially varies from the plan provided to NDED at the time the HTF funding is awarded requires prior notification to NDED HTF staff.

## **X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS**

- A. BUILDING OCCUPANCY & CONSTRUCTION TYPE
1. Fire resistance rating separation requirements per code
  2. Shall comply with NFPA 1 and NFPA 101, Chapters 8 & 43
- B. HISTORIC BUILDINGS
1. Shall comply with NFPA 101, Chapter 43.10.4
  2. Shall comply with IBC, Chapter 3409
- C. Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings and with consultation of the Nebraska State Historic Preservation Office (SHPO).
- D. ACCESSIBILITY REQUIREMENTS
1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
  2. General Requirements:
    - a. Projects shall meet applicable Federal and State Regulations and Rules
    - b. The number of accessible apartment units shall be determined by the code requirements
    - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide

- (DOJ), as applicable
- d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205 and that the Fair Housing Act Amendments of 1988 (as amended) with consideration being given to the accessibility/adaptability of units to handicapped occupancy.
  - e. Rehabilitation of existing buildings constructed and first occupied prior to March 13, 1991, that may be exempt from the Architectural Guidelines adopted in the Fair Housing Act Amendments of 1988 will ensure compliance with applicable federal, state, and local building codes and will include compliance with applicable Section 504 requirements.
3. Projects shall comply with other standards as may apply or be required by funding sources (i.e. USDA Rural Development)
  4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
    - a. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
      - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
      - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
      - iii. Common spaces must be made accessible to the greatest extent feasible
    - b. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
  5. Projects, if applicable, shall comply with all Accessibility/Adaptable Dwelling requirements of the Fair Housing Act of 1988; applicable Uniform Federal Accessibility Standards (UFAS); and any applicable requirements of ANSI A117. These may include, but are not limited to:
    - a. The structures shall all be on an accessible route, in and through the Unit;
    - b. A proper number of units will be fully accessible and may target Special Needs households which may include the 5% minimum requirement per UFAS and ADA;
    - c. Units will have ADA Thresholds on all front Doors;
    - d. Units will have a removable Front and Panel on the Kitchen Sink;
    - e. Units will have reinforcement for future grab bars in all bathrooms, tubs, and showers;
    - f. Units will have Convenience receptacles, Switches, and controls mounted between 15" and 48" to the usable part of the device;
    - g. Units shall have 36" wide doors;
    - h. Units shall have ADA Lever handles on all hardware;
    - i. Units shall have the required floor space requirements for ranges, sinks, water closets, and lavatories;
    - j. Door swings will have 18" clearance beside the Latch side of the door, if the door swings into the direction of travel.



E. BUILDING DESIGN

1. The project developers are encouraged to draft an architectural program document outlining the goals for the project.
2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
3. Means of egress components shall be in conformance with Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
4. Apartment layout:
  - a. Room sizes –minimum in accordance with IBC 1208 and/or local codes.
  - b. Interior environment shall comply with Chapter 12 of the IBC.
  - c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
    - i. SRO's and other special housing types may be an exception
  - d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with IBC 1210
    - i. SRO's and other special housing types may be an exception
5. Storage – adequate clothes closets, pantry and general storage shall be provided.
6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste in compliance with current State and Federal regulations.
8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.

## XI. REHABILITATION CONSTRUCTION STANDARDS

### A. SITE

1. General:
  - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
  - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
  - c. Design and systems shall conform to all applicable codes, rules and regulations:
    - i. Local and municipal zoning
    - ii. Local and State Fire and Building Codes, current adopted addition
    - iii. Nebraska State Fire Code Regulations, Title, 153
    - iv. NFPA Codes as they may apply
  - d. Permits - Any and all permits, bonds or licenses required for the execution of the work specified by the Work Write-Up shall be obtained and paid for by the Contractor prior to the start of that work. Contractors and subcontractors will be responsible for obtaining any progress or final inspections from the local jurisdiction's building departments. Failure to call for the required inspections or proceeding without inspection, such as covering work without approval and deviating from approved plans and specs, may result in violations that could include no payment. Upon project completion, each unit must be decent, safe, sanitary, and in good repair.
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
4. Sewer connections to municipal sewage systems and on-site sewage disposal:
  - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New systems designed to conform to the State "Wastewater System & Potable Water Supply Rules" (WW permit) regulations.
5. Water service:
  - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Required new systems shall be designed to conform to the State "Wastewater System & Potable Water Supply Rules" (WW permit) regulations, and the American Waterworks Association (AWWA) guidelines.
6. Vehicular access to public way – site design shall conform to local zoning and transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.

9. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
  - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
12. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
14. Fuel Storage – Onsite outdoor placement and storage of fuels per applicable regulations and utility requirements.
15. Underground or overhead utilities – as regulated by code and utility rules.

#### **B. FOUNDATIONS**

1. Existing foundations shall be examined by qualified professionals
  - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
  - b. Design and implement structural reinforcements or reconstruction as necessary.
2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
4. New below-grade structures to conform to Chapter 18 of IBC as appropriate.
5. Basement floors:
  - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
  - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
  - c. Dead spaces
    - i. provide concrete rat slabs,
    - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
6. Moisture mitigation
  - a. Water and damproofing – where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.
  - b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
  - c. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

#### **C. MASONRY COMPONENTS**

1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended.
  - a. Masonry shall be plumb, and structurally sound.

2. Repair or replace deteriorated portions or missing units.
  - a. Brick veneer shall be sound, or repaired to be sound.
3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids.
  - a. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act.
  - a. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
5. Chimneys
  - a. Assure structural integrity, reconstruct, and point as necessary
  - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.

#### **D. STRUCTURE**

1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
2. In general, structure evaluation and design shall be in conformance with International Building Code requirements.
  - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
  - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
  - a. Repairs shall be made to any deteriorated load-bearing structural elements.
  - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.

#### **E. ENCLOSURE - SHELL**

1. Roofing
  - a. Existing
    - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year Capital Plan and/or subsequent 5-year updates during the 30-year affordability period.
    - ii. Repair existing roofing as required.
    - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable.
  - b. New Roofing
    - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
    - ii. New roofing system components shall be compatible, and include - the nail base, the underlayment layer, ice & water shield self-adhesive membrane flashings, metal flashings and roofing.
      - Strip existing roofing and dispose of properly.
      - Examine exposed existing substrate for structural soundness
      - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
      - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity

of the roof system shall be assured.

- c. Ventilation
  - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
2. Exterior Finishes
  - a. Cladding
    - i. Wood Siding –
      - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
      - Siding shall be free of gaps and holes and provide continuous weatherproof system.
      - Repair or re-side as necessary to provide a weather resistant enclosure.
      - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - ii. Masonry
      - Masonry bearing walls and veneers shall be restored as necessary
        1. Refer to Section XI. C. – Masonry
        2. Refer also to Section XI F.2.b – Enclosure Thermal for insulation requirements
        3. All work on historic masonry shall be done in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
  - a. Existing wood trim:
    - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
    - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
    - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
  - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
  - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
4. Paint
  - a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings.
  - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
    - i. Prepare surfaces properly, removing loose or peeling previous paint.
    - ii. Paint prep shall be done in accordance with applicable lead safe standards. (See also Section XI N.1.b-Special Construction)
  - c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
  - d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers’ specifications.
5. Porches, decks and steps
  - i. Existing porches, decks, steps and railings proposed to remain shall be examined

and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.

- ii. Inspect structure for soundness and reconstruct any deteriorated members as required.
- iii. Install new support piers as may be required.
- iv. Patch existing decking with matching materials, or install new durable decking.
- a. Railings
  - v. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
  - vi. Shall meet code requirements for height of protective guards, or have supplemental guards installed.
- b. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
- c. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
- d. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.

#### **F. ENCLOSURE – THERMAL**

- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
  - a. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- 2. Insulation
  - a. Insulation levels shall conform to the NDED's Minimum Standards for Rehabilitation.
  - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
- 3. Air sealing – comply with the NDED's Minimum Standards for Rehabilitation.
  - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
  - b. Blower door testing shall be performed to verify compliance and successful execution.
- 4. Indoor air quality
  - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in this regard. Treatment of existing stone, concrete or masonry basement walls, and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.
- 5. Ventilation
  - a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
  - b. See Section XI E.1.c for roof assembly ventilation.

#### **G. ACOUSTICAL TREATMENTS**

- 1. Dwelling units separated acoustically using Chapter 1207 of IBC as a guideline minimum standard.

## H. DOORS

### 1. General

- a. Doors to meet code requirements of NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2
- b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
- c. Be sound and secure.
- d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
- e. Flash properly, and have shim spaces insulated.
- f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - i. Restore as required to provide useful life.
  - ii. Shall be tested and modified as necessary to operate properly.
  - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
  - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

### 2. Apartment doors

- a. Apartment unit entry doors shall be fire rated as required.

### 3. Other doors – Access doors shall meet code requirements for fire rating.

### 4. Door hardware shall operate properly, be secure and shall meet accessibility standards and NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2.

## I. WINDOWS

### 1. Windows shall be of legal egress size when required by code

### 2. Existing windows:

- a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
- c. Install new weather stripping to provide seal against weather elements and air infiltration.
- d. Air seal shim spaces and window weight pockets if possible.
- e. Restore and modify as required to provide useful life.
- f. Shall be tested and modified as necessary to operate smoothly and properly per code.
- g. Historic windows designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
- h. Hardware shall be intact and operational, or be replaced with new hardware as required.

### 3. New Windows:

- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
- b. New windows shall be code compliant, and conform with NDED's Minimum Standards for Rehabilitation. Developers are encouraged to consider upgrading to greater energy efficient windows by providing R-5 windows.
- c. Additionally, new window units should be tested assemblies meeting ASTM standards for

water penetration & air leakage.

- d. All windows shall be installed per manufacturer's installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.

**J. INTERIOR FINISHES**

1. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
2. Per chapter 10 of NFPA 101 (Reference also Chapter 8 of the IBC).
3. Walls & ceilings
  - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State DPS shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
4. Flooring
  - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
  - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
5. Trim - Wood trim and architectural woodwork
  - a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See also Section XI N.1.b-Special Construction).



#### **K. SPECIALTIES**

1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
3. Signage and identification – building signage shall be provided as appropriate:
  - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant and 911 approved.
4. Exit signage will be provided as required by code and be accessibility compliant as required.
5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire authorities. Locate as directed by authorities.
6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.

#### **L. EQUIPMENT**

1. All new equipment to be Energy Star® rated.
2. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
3. Equipment shall conform to the NDED's Minimum Standards for Rehabilitation.
4. Kitchen appliances –
  - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
  - b. Existing appliances to be reused shall be in good and serviceable condition.
  - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
  - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
5. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
  - a. Heat pump dryers are encouraged where appropriate and readily available.
  - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
6. Solid waste handling-As appropriate, provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in order to utilize appropriate recycling practices, when feasible.
7. Playground equipment – Provide safe, code-approved new playground equipment if a playground is appropriate.

#### **M. FURNISHINGS - CASEWORK**

1. Kitchen cabinetry and counters
  - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New cabinetry
    - i. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 "Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities" standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer's Association (KCMA) "Severe Use Specification – 2014," the Architectural Woodwork Institute's (AWI) Woodwork Standards and Cabinet Fabrication Handbook.

- ii. New counters shall be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
  - Shop fabricated as one-piece assembly where possible. Seal field joints.
  - Installed level and securely fastened to cabinetry.
- 2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one-piece integral bowl with integral backsplash.

**N. SPECIAL CONSTRUCTION**

- 1. Hazardous materials and remediation – see NDED’s Minimum Standards for Rehabilitation:
  - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:
    - i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
    - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
  - b. Lead - Health and Safety and Lead Safe Housing:
    - i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance as required under 24 CFR Part 35.
    - ii. Lead-Based Paint
      - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling. Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:

Federal Regulations:

- HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing. More information is available at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshr](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr)
- EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
- HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at:  
[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_12347.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf)
- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: <https://www.osha.gov>

Nebraska Regulations Title 178 Nebraska Administrative Code (NAC) Chapter 23:

- Nebraska law requires all work that disturbs paint in target housing to be completed

using lead safe work practices. Rehabilitation completed in accordance with federal regulations described above will generally fulfill this requirement. Nebraska law includes the implementation of the Residential Lead-based Paint Professions Certification Act and the Uniform Licensing Law, as applicable.

- Nebraska law also requires conformance with Neb. Rev. Stat. §71-2518 lead poisoning prevention program and Neb. Rev. Stat. §§71-6318-71-6331.01 related to the Residential Lead-Based Paint Professions Practice Act.
- Any questions regarding compliance with lead paint regulations should be directed to the Nebraska Department of Health and Human Services, Public Health Division, Lead-Based Paint Program at 402-471-0549 or at:  
<http://dhhs.ne.gov/publichealth/Pages/LeadContact.aspx>

**O. CONVEYANCE SYSTEMS**

1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
  - a. Installed per code NFPA 101, Chapter 9.4
  - b. ASME 17.1 Safety Code for Elevators – 2013
  - c. Nebraska Elevator Safety Rules
2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period, and approved by agencies having jurisdiction.

**P. MECHANICAL**

**1. General:**

- a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
- b. Energy efficiency:
  - i. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011).
  - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- c. All mechanical systems shall meet all applicable codes:
  - i. Nebraska State Fire Code Regulations, Title 153 & NFPA 101 Life Safety Code, 2012 Edition
  - ii. International Plumbing Code – 2012 & Nebraska Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
  - iii. Nebraska Energy Codes as they may apply:
    - Nebraska Residential Building Energy Standards (NBES) for buildings of three stories or less; and/or
    - Nebraska Commercial Building Energy Standards (NBES) for buildings of 4 stories or more, and some mixed-use buildings.
  - iv. Plumbing fixtures will be accessibility compliant as required
  - v. State and local Fire & Building Codes, as applicable.

**2. Fire protection**

- a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by NFPA 101 and NFPA 1, and approved by the Nebraska State Fire Marshal:
  - i. System design to conform to applicable NFPA standard 13 or 13R
  - ii. System calculations and design shall be done by a person holding a NICET Level III certification or a Water-Based Fire Protection System Contractor approved by certification with the Nebraska State Fire Marshal.
  - iii. System installed by State approved persons holding appropriate TQP certificates.
  - iv. Underground water services for sprinkler system shall meet NFPA 24
  - v. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
- b. Where possible, piping for the sprinkler system shall be concealed.

**3. Plumbing**

- a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
- b. Use water-saving shower heads and faucet aerators as required and applicable.
- c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Nebraska Plumbing Rules.
- d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with P.3.a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
- e. Bath fixtures – When existing bath fixtures are not reused in accordance with P.3.a. above, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in

- each apartment.
    - i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
  - f. Provision for laundry rooms or laundry hook-ups may be made per project's program requirements.
  - g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
4. Heating
- a. System design:
    - i. Must comply with NDED's Minimum Rehabilitation Standards.
    - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
  - c. Provide adequate heat in common spaces.
  - d. Install pipe insulation with minimum 1.5" wall thickness
  - e. Minimum equipment efficiencies per applicable Nebraska Department of Energy requirements
  - f. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD) per state and local requirements.
  - g. Control wiring and control strategies per state and local requirements with outdoor temperature reset.
  - h. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
5. Ventilation
- a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
    - i. Fire protection of system ducts per NFPA 101, Chapter 9.2
    - ii. ASHRAE 62.2
    - iii. REBS or CBES
    - iv. NDED Rehabilitation Standards.
  - b. Balanced mechanical ventilation systems are encouraged.
  - c. Ventilation controls shall be per applicable codes
6. Domestic Hot Water:
- a. System shall be designed as required per code.
  - b. Install pipe insulation per code.

**Q. ELECTRICAL**

- 1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
- 2. Project electrical must be installed by a licensed electrician
- 3. Energy efficiency:
  - a. Must comply with NDED's Minimum Rehabilitation Standards.
- 4. Design shall comply with all the applicable codes:
  - a. Nebraska State Fire & Building Code, Title 153
  - b. NFPA 101, Life Safety Code
  - c. NFPA 70, National Electrical Code, 2011 Edition

- d. NFPA 72, National Fire Alarm and Signaling Code
- e. NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection
- 5. In general, the electrical system should be new throughout a building:
  - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
- 6. Utility connections shall be installed per the rules and regulations of the electrical utility.
- 7. Electrical service and metering:
  - a. The service entrance size shall be calculated to handle the proposed electrical loads.
  - b. Metering and disconnects shall be per code and mounted at approved locations.
- 8. Elevator wiring shall conform to the ANSI 17.1 as provided within the Nebraska Elevator Safety Rules.
- 9. Electrical distribution system:
  - a. Lighting and receptacle circuits shall be designed per code.
  - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
  - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
- 10. Artificial Lighting shall be provided using IBC 1205 as a minimum guideline.
  - a. All lighting shall be in accordance NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
  - b. Developers are encouraged to upgrade to Energy Star® Category.
- 11. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
  - a. Energy efficient lighting shall meet the minimum program requirements of NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
- 12. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
- 13. Fire detection and alarms:
  - a. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
  - b. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
  - c. CO detectors shall be installed per Nebraska State Fire and Building Code and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
  - d. Where required – system annunciation shall be in accordance with NFPA 1.
- 14. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
- 15. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, State energy code, and the regulations of the governing utility.

## ATTACHMENT B: HTF Rehab Standards: Uniform Physical Condition Standards for Single Family & Multifamily Housing Rehabilitation

**NOTE:** Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

REQUIREMENTS FOR SITE		
Inspected Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Fencing and Gates	Damaged/Falling/Leaning	<i>Fence or gate is missing or damaged to the point it does not function as it should</i>
	Holes	<i>Hole in fence or gate is larger than 6 inches by 6 inches</i>
	Missing Sections	<i>An exterior fence, security fence or gate is missing a section which could threaten safety or security</i>
Grounds	Erosion/Rutting Areas	<i>Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable</i>
	Overgrown/Penetrating Vegetation	<i>Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable</i>
	Ponding/Site Drainage	<i>There is an accumulation of more than 5 inches deep and/or a large section of the grounds-more than 20%-is unusable for it's intended purpose due to poor drainage or ponding</i>
Health & Safety	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
Hazards - Tripping	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Mailboxes/Project Signs	Mailbox Missing/Damaged	<i>Mailbox cannot be locked or is missing</i>
	Signs Damaged	<i>The project sign is not legible or readable because of deterioration or damage</i>
Parking Lots/Driveways/Roads	Cracks	<i>Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard</i>
	Ponding	<i>3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe</i>

	Potholes/Loose Material	<i>Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling</i>
	Settlement/Heaving	<i>Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles</i>
<b>Play Areas and Equipment</b>	Damaged/Broken Equipment	<i>More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk</i>
	Deteriorated Play Area Surface	<i>More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk</i>
<b>Refuse Disposal</b>	Broken/Damaged Enclosure-Inadequate Outside Storage Space	<i>A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal</i>
<b>Retaining Walls</b>	Damaged/Falling/Leaning	<i>A retaining wall is damaged and does not function as it should or is a safety risk</i>
<b>Storm Drainage</b>	Damaged/Obstructed	<i>The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended</i>
<b>Walkways/Steps</b>	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Cracks/Settlement/Heaving	<i>Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard</i>
	Spalling/Exposed rebar	<i>More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches—that affects traffic ability</i>

<b>REQUIREMENTS FOR BUILDING EXTERIOR</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged Surface (Holes/Paint/Rusting/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Deteriorated/Missing Caulking/Seals	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any exterior door that is missing</i>
<b>Fire Escapes</b>	Blocked Egress/Ladders	<i>Stored items or other barriers restrict or block people from exiting</i>
	Visibly Missing Components	<i>Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing</i>
<b>Foundations</b>	Cracks/Gaps	<i>Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart</i>
	Spalling/Exposed Rebar	<i>Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other</i>



<b>Health and Safety</b>	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Lighting</b>	Broken Fixtures/Bulbs	<i>10% or more of the lighting fixtures and bulbs surveyed are broken or missing</i>
<b>Roofs</b>	Damaged Soffits/Fascia	<i>Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible</i>
	Damaged Vents	<i>Vents are missing or so visibly damaged that further roof damage is possible</i>
	Damaged/Clogged Drains	<i>The drain is damaged or partially clogged with debris or the drain no longer functions</i>
	Damaged/Torn Membrane/Missing Ballast	<i>Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration</i>
	Missing/Damaged Components from Downspout/Gutter	<i>Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior</i>
	Missing/Damaged Shingles	<i>Roofing shingles are missing or damaged enough to create a risk of water penetration</i>
	Ponding	<i>Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials</i>
<b>Walls</b>	Cracks/Gaps	<i>Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration</i>
	Damaged Chimneys	<i>Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard</i>
	Missing/Damaged Caulking/Mortar	<i>Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage</i>
	Missing Pieces/Holes/Spalling	<i>Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage</i>

	Stained/Peeling/Needs Paint	<i>More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration</i>
<b>Windows</b>	Broken/Missing/Cracked Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
	Damaged Sills/Frames/Lintels/Trim	<i>Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness</i>
	Damaged/Missing Screens	<i>Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length</i>
	Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Peeling/Needs Paint	<i>More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration</i>
	Security Bars Prevent Egress	<i>The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks</i>

**REQUIREMENTS FOR BUILDING SYSTEMS**

<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Domestic Water</b>	Leaking Central Water Supply	<i>Leaking water from water supply line is observed</i>
	Missing Pressure Relief Valve	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion on Heater Chimney	<i>The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney</i>
	Water Supply Inoperable	<i>There is no running water in any area of the building where there should be</i>
<b>Electrical System</b>	Blocked Access/Improper Storage	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Outlet Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
<b>Elevators</b>	Not Operable	<i>The elevator does not function at all or the elevator doors open when the cab is not there</i>
<b>Emergency Power</b>	Auxiliary Lighting Inoperable (if applicable)	<i>Auxiliary lighting does not function</i>
<b>Fire Protection</b>	Missing Sprinkler Head	<i>Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped</i>
	Missing/Damaged/Expired Extinguishers	<i>There is missing, damaged or expired fire extinguisher an any area of the building where a fire extinguisher is required</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>

	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Elevator - Tripping	<i>An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards – Tripping Hazards	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>HVAC</b>	Boiler/Pump Leaks	<i>Evidence of water or steam leaking in piping or pump packing</i>
	Fuel Supply Leaks	<i>Evidence of any amount of fuel leaking from the supply tank or piping</i>
	General Rust/Corrosion	<i>Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice</i>
	Misaligned Chimney/Ventilation System	<i>A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases</i>
<b>Roof Exhaust System</b>	Roof Exhaust Fan(s) Inoperable	<i>The roof exhaust fan unit does not function</i>
<b>Sanitary System</b>	Broken/Leaking/Clogged Pipes or Drains	<i>Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains</i>
	Missing Drain/Cleanout/Manhole Covers	<i>A protective cover is missing</i>

<b>REQUIREMENTS FOR COMMON AREAS</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Basement/Garage/Carport</b>	Baluster/Side Railings - Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
<b>Closet/Utility/Mechanical</b>	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
<b>Community Room</b>	Call for Aid - Inoperable	<i>The system does not function as it should</i>
<b>Halls/Corridors/Stairs</b>	Ceiling - Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long</i>
<b>Kitchen</b>	Ceiling - Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
<b>Laundry Room</b>	Ceiling - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
<b>Lobby</b>	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate --not a sanitary surface to prepare food</i>

Office	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Doors - Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Doors - Missing Door	<i>Any door that is missing that is required for the functional use of the space</i>
	Dryer Vent -Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
	Electrical - Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Electrical - Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Electrical - Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware</i>
	Electrical - Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Electrical - Missing Breakers	<i>Any open and/or exposed breaker port</i>
	Electrical - Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
	Floors - Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floors - Floor Covering Damaged	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.</i>
	Floors - Missing Floor/Tiles	<i>More than 5% of the flooring or tile flooring is missing</i>
	Floors - Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Floors - Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Floors - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Graffiti	<i>Any graffiti on any exposed surface greater than 6 inches by 6 inches</i>
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>
	HVAC - General Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
	HVAC - Inoperable	<i>HVAC does not function. It does not provide the heating and cooling as it should. The system does not respond when the controls are engaged</i>
	HVAC - Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	HVAC - Noisy/Vibrating/Leaking	<i>HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>

Lavatory Sink - Damaged/Missing	<i>Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used</i>
Lighting - Missing/Damaged/Inoperable Fixture	<i>More than 10% of the permanent lighting fixtures are missing or damaged so they do not function</i>
Mailbox - Missing/Damaged	<i>The U.S Postal Service mailbox cannot be locked or is missing</i>
Outlets/Switches/Cover Plates - Missing/Broken	<i>Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring</i>
Pedestrian/Wheelchair Ramp	<i>A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers</i>
Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
Range Hood /Exhaust Fans - Excessive Grease/Inoperable	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning</i>
Refrigerator - Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance</i>
Restroom Cabinet - Damaged/Missing	<i>Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
Sink - Missing/Damaged	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
Smoke Detector - Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
Stairs - Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
Stairs - Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
Ventilation/Exhaust System - Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
Walls - Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
Walls - Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
Walls - Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
Walls - Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
Walls - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 foot square</i>
Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
Windows - Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
Windows - Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
Windows - Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>

	Windows - Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Windows - Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Pools and Related Structures</b>	Fencing - Damaged/Not Intact	<i>Any damage that could compromise the integrity of the fence</i>
<b>Trash Collection Areas</b>	Chutes - Damaged/Missing Components	<i>Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other components--have failed</i>
<b>REQUIREMENTS FOR UNIT</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	
<b>Bathroom</b>	Bathroom Cabinets - Damaged/Missing	<i>Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Lavatory Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Plumbing - Clogged Drains, Faucets	<i>Drain or faucet is substantially or completely clogged or has suffered extensive deterioration</i>

	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Ventilation/Exhaust System – Absent/Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
<b>Call-for-Aid (if applicable)</b>	Inoperable	<i>The system does not function as it should</i>
<b>Ceiling</b>	Bulging/Buckling/Leaking	<i>Bulging, buckling or sagging ceiling or problem with alignment</i>
	Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long</i>
	Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or</i>
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or</i>
	Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they</i>
	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door</i>
<b>Electrical System</b>	Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
<b>Floors</b>	Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floor Covering Damage	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or</i>
	Missing Flooring Tiles	<i>Any flooring or tile flooring that is missing</i>
	Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a</i>
	Emergency Fire Exits - Emergency/Fire Exits	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the</i>

	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health</i>
<b>Hot Water Heater</b>	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Inoperable Unit/Components	<i>Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not</i>
	Leaking Valves/Tanks/Pipes	<i>There is evidence of active water leaks from hot water heater or related components</i>
	Pressure Relief Valve Missing	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
<b>HVAC System</b>	Convection/Radiant Heat System Covers	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated</i>
	Inoperable	<i>HVAC does not function. It does not provide the heating and cooling, as it should. The system does not</i>
	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Noisy/Vibrating/Leaking	<i>The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>
<b>Kitchen</b>	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate --</i>
	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood/Exhaust Fans - Excessive	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out</i>
	Refrigerator-Missing/Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is</i>
	Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink</i>
<b>Laundry Area (Room)</b>	Dryer Vent - Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented</i>
<b>Lighting</b>	Missing/Inoperable Fixture	<i>A permanent light fixture is missing or not functioning, and no other switched light source is functioning in</i>
<b>Outlets/Switches</b>	Missing	<i>An outlet or switch is missing</i>
	Missing/Broken Cover Plates	<i>An outlet or switch has a broken cover plate over a junction box or the cover plate is missing</i>
<b>Patio/Porch/Balcony</b>	Baluster/Side Railings Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
<b>Smoke Detector</b>	Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
<b>Stairs</b>	Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
<b>Walls</b>	Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>



	Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square</i>
<b>Windows</b>	Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or</i>
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather</i>
	Missing/Deteriorated Caulking/Seals/Glazing	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or</i>
	Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>



- Damaged Vents
- Damaged / Clogged Drains
- Damaged / Torn Membrane / Missing Ballast
- Missing / Damaged Components from Downspout / Gutter
- Missing / Damaged Shingles
- Ponding

Roof Exhaust System:  
Roof Exhaust Fan(s) Inoperable

Windows:  
Broken / Missing / Cracked Panes  
Damaged Sills / Frames / Lintels / Trim  
Damaged / Missing Screens  
Missing / Deteriorated Caulking / Seals / Glazing Compound  
Peeling / Needs Paint  
Security Bars Prevent Egress

Lighting:  
Broken Fixtures / Bulbs

4. INTERIOR WALLS, FLOORS, CEILINGS, DOORS, AND WINDOWS – Every interior partition, wall floor, ceiling, door and window shall be structurally sound.

Holes in walls should be re-plastered before new paint is applied.

All interior doors shall be capable of affording privacy for which they were intended.

Other Inspectable Items:      Walls and Ceiling:  
  Bulging / Buckling  
  Holes / Missing Tiles / Panels / Cracks  
  Peeling / Needs Paint  
  Water Stains / Water Damage / Mold / Mildew  
  Damaged / Deteriorated Trim

Floors:  
Bulging/Buckling  
Floor Covering Damage  
Missing Flooring Tiles  
Peeling / Needs Paint  
Rot / Deteriorated Subfloor  
Water Stains / Water Damage / Mold / Mildew

Doors:  
Damaged Frames / Threshold / Lintels / Trim  
Damaged Hardware / Locks

Damaged Surface-Holes / Paint / Rusting /Glass  
Missing Door

Windows:

Cracked / Broken / Missing Panes  
Damaged / Rotting Window Sill  
Missing / Deteriorated Caulking / Seals / Glazing Compound  
Inoperable / Not Lockable  
Peeling / Needs Paint

5. GRADING AND RAINWATER DRAINAGE FROM ROOF – All rainwater shall be drained and conveyed from every roof so as not to cause dampness within the dwelling. All rainwater drainage devices, such as gutters, downspouts, leaders and splash blocks shall be in safe working order. Ground areas around the habitable unit shall be sloped or drain away from foundation walls to prevent standing water.

Other Inspectable Items:      Grounds:

Erosion / Rutting Areas  
Overgrown / Penetrating Vegetation  
Ponding / Site Drainage (affecting unit)

Storm Drainage:

Damaged / Obstructed

6. WINDOWS, EXTERIOR DOORS AND BASEMENT OR CELLAR HATCHWAYS – Every front, rear, side and basement or cellar door shall be no less than 2'4" in width and no less than 6' 6" in height. In existing structures, if replacement to meet these requirements would be impossible or cost-prohibitive, said requirement may be waived by the grantee.

Every window, exterior door and basement or cellar hatchway shall be substantially tight and rodent-proof.

In addition, the following requirements shall be met:

- a. All exterior doors to the outside or to a common public hall shall be equipped with adequate security locks. Means of egress door locks shall be easily opened from the egress side without a key or special knowledge. All windows accessible from ground level without the aid of mechanical devices shall have a security device. Emergency escape windows shall be openable from the inside without the use of a key, code or tool;
- b. Every window sash shall be fully equipped with windowpane glazing materials free of cracks or holes, and all panes shall be secured with retaining devices or an adequate amount of putty. Said putty shall not be cracked, broken or missing;
- c. Every window sash shall be in good condition and fit tightly within its frame;
- d. Every window, other than a fixed window, shall be easily opened and held in position by window hardware;
- e. Every exterior and interior door, door hinge, door latch, and/or lock shall be in good working condition;

- f. Every exterior and interior door, when closed, shall fit well within its frame;
- g. Every window, door and frame shall be constructed in relation to the adjacent wall construction, to exclude rain and wind as completely as possible from entering the dwelling or structure;

Other Inspectable Items:

Doors:

Damaged Frames / Threshold / Lintels / Trim  
 Damaged Hardware / Locks  
 Damaged / Missing Screen / Storm / Security Door  
 Damaged Surface – Holes / Paint / Rusting / Glass  
 Deteriorated / Missing Caulking / Seals (Entry Only)  
 Missing Door

- 7. STAIRWAYS, DECKS, BALCONIES AND PORCHES – Every interior and exterior stairway, porch, deck, balcony and appurtenance thereto, including hand and guard rails, shall be constructed to be sound and safe to use and capable of supporting the load that normal use may place upon it.

Other Inspectable Items:

Stairs:

Broken / Damaged / Missing Steps  
 Broken / Missing Hand Railing

Patio, Porch, Deck, Balcony:

Baluster / Side Railings Damaged

- 8. SUPPLIED PLUMBING FIXTURES – Every plumbing fixture and water and waste pipe shall be properly installed in safe, sanitary working condition, free from leaks, defects, and obstructions.
- 9. BATHROOM, TOILET ROOM, KITCHEN AND UTILITY ROOM FLOORS – Every bathroom, toilet room, kitchen, and utility room floor surface shall be constructed to be impervious to water and to permit such floors to be easily kept clean and sanitary.

Indoor-outdoor type carpeting, when properly installed, shall be allowed in bathrooms, toilet rooms, kitchens and utility rooms except when in conflict with required interim controls or standard treatments required to comply with the lead-based paint regulation.

- 10. CHIMNEYS AND SMOKE PIPES – Every chimney and smoke pipe shall be adequately supported, structurally sound, and clean.
- 11. TREES AND VEGETATION – Trees and vegetation endangering the unit and/or its occupants shall be eliminated.
- 12. INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS – All rehabilitation work must meet or exceed the requirements of the International Residential Code as promulgated by the International Code Council in its current edition or as adopted in ordinance by the local jurisdiction.
  - a. Work must comply with the permitting and inspection requirements of the local jurisdiction.

- b. In the absence of local permitting and inspection services, the local recipient program shall engage qualified inspectors and document code inspection and compliance.

13. LEAD-BASED PAINT – As required under 24 CFR Part 35, the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, all assisted dwelling units constructed before January 1, 1978, will be evaluated for lead-based paint hazards or presumed to have lead-based paint present throughout the unit when paint is disturbed.

- a. Evaluation will be done by a qualified, certified or licensed person as required under the regulation.
- b. All lead-based paint hazards will be identified and reduced or eliminated through paint stabilization, interim controls or abatement with work being done by supervised, trained, qualified, certified or licensed persons as required under the regulation.
- c. Safe work practices will be followed at all times.
- d. Occupants shall be protected or temporarily relocated as required by the regulation. With some exceptions, as listed at 24 CFR 35.1345, occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead hazards.
- e. The dwelling unit and worksite shall be secured. The worksite shall be prepared and warning signs shall be posted as required by the regulation.
- f. Clearance examinations will be performed by qualified personnel and final clearance shall be achieved as required by the regulations.

14. ENERGY CONSERVATION –

- a. Equipment, appliances, windows, doors and appurtenances replaced during rehabilitation shall be replaced with Energy Star qualified products.
- b. If feasible, attics should be insulated to R38 and walls to a minimum of R11.
- c. Replacement heating and/or cooling systems shall be properly sized as evidenced by completion of ACCA/ANSI Manual J® or an equivalent sizing calculation tool.
- d. All accessible air ducts shall be tightly sealed.
- e. Heating or cooling supply running through unconditioned space should be avoided or rerouted, but when present and accessible, shall be insulated.

15. INDOOR AIR QUALITY – The scope and conduct of rehabilitation of each dwelling unit shall take into consideration the improvement and maintenance of satisfactory and healthy air quality within the unit.

- a. A carbon monoxide detector installed per manufacturers' recommendations shall be present in each unit, and receive primary power from the building wiring or battery. If the house is all electric a carbon monoxide detector is not required.

- b. Devices and appurtenances identified to contain mercury shall be removed or replaced excluding CFL bulbs.
- c. Materials and methods used in carrying out rehabilitation, shall to the extent feasible, minimize and prevent dust, out gassing, volatile organic compounds and other contaminants within the dwelling unit.

Other Inspectable Items: Health and Safety:

Air Quality - Mold and/or Mildew Observed

Sewer Odor Detected

Propane/Natural Gas/Methane Gas Detected

16. **UNIVERSAL DESIGN AND ACCESSIBILITY** – Rehabilitation of each unit shall be carried out with consideration for the needs of its occupants and to the maximum practical extent in accordance with the principles of universal design. For guidance in implementing universal design features, visit [www.design.ncsu.edu/cud](http://www.design.ncsu.edu/cud).
- a. The housing must meet the accessibility requirement of 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. “Covered multi-family dwelling,” as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

## **B. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES**

- 1. **WATER SUPPLY** – All fixture water supplies shall be properly connected to public or private water system. All water supply inlet orifices (mouth of an opening from any pipe or faucet supplying water) shall have an air gap (The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the floor level rim of the receptacle.) or shall be protected by vacuum breakers (also known as backflow preventers).
- 2. **KITCHENS** – Every dwelling shall have a kitchen room or kitchenette equipped with a kitchen sink, properly connected to both hot and cold running water lines, under pressure, and in working order.

Other Inspectable Items:

Cabinets – Missing / Damaged

Countertops - Missing / Damaged

Dishwasher / Garbage Disposal – Leaking / Inoperable

Plumbing - Clogged Drains

Plumbing - Leaking Faucet / Pipes

Range Hood / Exhaust Fans - Excessive Grease / Inoperable

Range / Stove / Refrigerator- Missing / Damaged / Inoperable

Sink - Damaged / Missing

- 3. **TOILET ROOM REQUIRED** - Every dwelling unit, except as otherwise permitted for rooming houses, shall contain a room that is equipped with a flush water closet and properly installed lavatory. Said lavatory shall be properly connected to both hot and cold running water, under pressure, and shall be in working order. Fixtures shall be properly installed, free of hazards, leaks and defects, and in functional and sanitary order.

Said flush water closet shall be properly connected to the water supply, under pressure, and shall be in working order.

Other Inspectable Items: Bathroom:

Bathroom Cabinets - Damaged / Missing

Lavatory Sink - Damaged / Missing

Plumbing - Clogged Drains

Leaking Faucet / Pipes

Water Closet / Toilet - Damaged / Clogged / Missing

Ventilation / Exhaust System – Absent / Inoperable

Call-for-Aid Inoperable (where applicable)

4. PRIVACY IN ROOM CONTAINING TOILET AND BATH – Every toilet and every bath shall be contained in a room or within separate rooms which affords privacy to a person within said room or rooms. Said rooms shall not be the only passageway to the exterior.

Toilets and bathrooms shall have doors with a privacy type lock and such doors, locks and hardware shall be in working order.

5. SHARED TOILET FACILITIES – Shared toilet rooms shall be equipped with a flush water closet and lavatory basin, and shall be connected as provided in Section 2 above. In rooming house type structures, at least 1 toilet and 1 lavatory basin, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof residing within a rooming house, including members of the operator's family whenever they share the use of said facilities, provided that in rooming houses where rooms are let only to males, flush urinals may be substituted for not more than ½ of the required number of toilets.
6. BATH REQUIRED – Every dwelling unit shall contain a bathtub and/or shower. Fixtures shall be properly installed, free of hazards, leaks and defects, and shall be in functional and sanitary order.

Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be so located as to make possible their submergence in any contaminated or polluted liquid or substance.

Said bathtub and/or shower may be in the same room as the flush water closet and lavatory, or said bathtub and/or shower may be in a separate room. In all cases, these facilities shall be properly connected to both hot and cold running water lines, under pressure, and shall be in working order.

Other Inspectable Items: Shower / Tub - Damaged/Missing

7. LOCATION OF COMMUNAL TOILETS AND BATHS – Every communal bath required to be provided in accordance with other provisions, shall be located within a room or rooms accessible to the occupants of each dwelling unit sharing such facilities, without going through a dwelling unit of another occupant and without going outside of the dwelling.

In rooming houses, said room or rooms shall be located on the same floor of the dwelling as, or on the floor immediately above or below, the dwelling unit whose occupants share the use of such facilities.



8. HOT AND COLD WATER LINES TO BATH AND KITCHEN – Every dwelling shall have supplied water-heating facilities which are properly installed; in working condition and free of leaks; properly connected to hot water lines required; and are capable of supplying hot or tempered water at not less than 110°F to be drawn for every bath, as well as general usage.

Hot water storage associated with water heating facilities shall not be less than the following minimum capacities:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| a. 1 dwelling unit          | 30 gallons                            |
| b. 2 dwelling units         | 40 gallons                            |
| c. 3 or more dwelling units | 50 gallons or more and rooming houses |

Sizes and/or number of water heaters are to be based upon the number of units served. No water heaters shall be allowed in bathrooms or bedrooms. All hot water heaters shall be properly vented and sealed and equipped with a pressure relief valve and drip leg a maximum of 6" above the floor.

The local rehabilitation division and/or building inspection division may adjust the above-required capacities upward or downward based on the type and recovery time of the hot water system.

Other Inspectable Items: Hot Water Heater:

Misaligned Chimney / Ventilation System  
Inoperable Unit / Components  
Leaking Valves / Tanks / Pipes  
Pressure Relief Valve Missing  
Rust / Corrosion

9. CONNECTION OF SANITARY FACILITIES TO SEWAGE SYSTEM – Every kitchen sink, toilet, lavatory basin and bathtub/shower shall be in working condition and properly connected to an approved public or private sewage system.

All sewers and vents shall function properly and be free of leaks and blockages.

Other Inspectable Items: Sanitary System:

Broken / Leaking / Clogged Pipes or Drains  
Missing Drain / Cleanout / Manhole Covers

10. EXITS – Every exit from every dwelling and/or dwelling unit shall comply with the following requirements:
- It shall be functional;
  - It shall be unobstructed;
  - All stairways and steps of 4 or more risers shall have at least 1 handrail, and all stairways and steps that are 5 feet or more in width or open on both sides shall have a handrail on each side where possible;
  - Every dwelling unit shall have 2 independent ways of egress;

- e. All handrails shall be not less than 30" or more than 42" vertically above the nose of the stair treads and not less than 36" above the stairway platform;
  - f. All balconies and platforms that are 30" or more above grade, shall have protective guards not less than 30" in height above the balcony or platform level;
  - g. All multiple dwellings (1 & 2 family residences exempted) shall have a second exit stairway or approved fire escape available to all occupants of units located on second or higher stories;
  - h. All stairs and steps shall have a riser height of no more than 8" and a tread depth of no less than 9". This requirement may be waived on the programmatic level if in an existing structure, it would be impossible or cost prohibitive to meet this requirement. In such cases, new stairs could be put in having the same rise and run as the old;
  - i. In basement units where one means of an exit shall be a window, it shall comply with the International Residential Code, Section 310 Emergency Escape and Rescue Openings.
11. **FIRE PROTECTION AND SMOKE ALARMS** – All fire protection systems and devices shall be in operable condition. When a dwelling is occupied by any hearing impaired person, smoke alarms shall have an alarm system designed for hearing impaired persons in accordance with NFPA 74 (or successor standards).

Smoke alarms shall be installed:

- On each story, including basement and cellar (Alarms are not required in unfinished attics and crawl spaces)
- Outside of each bedroom
- In each bedroom

Other Inspectable Items:      Fire Protection:

Missing Sprinkler Head (where applicable)  
Missing / Damaged / Expired Extinguishers (where applicable)

### **C. MINIMUM STANDARDS FOR LIGHT, VENTILATION AND HEATING**

1. **REQUIRED WINDOW AREA** – Every habitable room, provided such rooms are adequately lighted, shall have at least one open air space. The minimum total window area, measured between stops, for every habitable room shall be as follows:
- a. 1/12 of the floor area if two or more separate windows exist or
  - b. 1/10 of the floor area if only one window exists;
  - c. A minimum of 12 square feet of window area is required in habitable rooms other than kitchens;
  - d. A kitchen may pass without a window area, provided there is a mechanical means of ventilation in working order.

Whenever the only window in a room is a skylight type window, the total window area of such skylight shall be equal to at least 15% of the total floor area of such room. Skylight type windows, if less than 15% of the total floor area shall be increased to 15% of the total floor area, unless another window is to be installed to provide adequate light and ventilation.

2. ADEQUATE VENTILATION REQUIRED – Every habitable room shall have at least one window or skylight which can easily be opened, or other such device as will adequately ventilate the room.
3. LIGHT AND VENTILATION REQUIREMENTS FOR BATHROOMS, TOILET ROOMS AND KITCHENS – Every bathroom, toilet room, and kitchen shall comply with the light and ventilation requirements for habitable rooms contained above, except that no window shall be required in adequately ventilated bathrooms, toilet rooms, or kitchens equipped with a ventilation system that filters or exhausts to the exterior.  
Other Inspectable Items: Ventilation / Exhaust System – Inoperable (if applicable)
4. ALTERNATIVE LIGHT AND VENTILATION – Artificial light or mechanical ventilation complying with the International Building Code shall be permitted.
5. CLOTHES DRYER VENTING – Clothes dryer exhaust vent shall be a single purpose vent in compliance with the manufacturer’s instructions and vent to the exterior.
6. ELECTRIC OUTLETS AND SERVICE REQUIRED – Where there is suitable electricity available from supply lines no more than 300 feet away from a dwelling, including all existing dwellings now supplied with electrical services, every habitable room within such dwelling shall contain a minimum of two separate and remote wall type electric convenience outlets. Habitable rooms measuring more than 120 square feet shall contain a minimum of three separate and remote wall type electric convenience outlets. Temporary wiring, extension, or zip cords shall not be used as permanent wiring.

Every habitable room shall have at least one ceiling or wall type electric light fixture, controlled by a wall switch, or a wall type grounded electric convenience outlet controlled by a remote switch. Every toilet room, bathroom, laundry room, furnace room, and hallway (hallway where applicable) shall contain at least 1 supplied ceiling or wall type electric light fixture, controlled by a wall switch, and at least one wall type grounded electric convenience outlet. Convenience outlets used in bathrooms shall be the GFI type.

Each individual kitchen based on its size and layout shall be wired to meet the requirements of the National Electric Code (N.E.C.).

Receptacle convenience outlets in or on open porches, breezeways or garages shall be of the GFI type with a weather proof receptacle box.

All wall and/or ceiling type lighting fixtures shall be controlled by a wall switch, except porcelain type fixtures used in cellars and/or attics, which may be controlled with a proper pull chain.

All electrical equipment, appliances and wiring shall be properly installed and in safe condition.

All broken and/or missing switch and receptacle plates shall be replaced.

Minimum electrical service for each dwelling and/or dwelling unit’s circuit breaker box shall be by a three wire 120/240 volt single phase service rated no less than 100 amps, or as adjusted for size and usage of equipment and appliances in accordance with the ICC Electrical Code and approved, in writing, by the electrical inspector of the local jurisdiction or program.

Other Inspectable Items: Electrical System:  
Blocked Access to Electrical Panel / Improper Storage  
Burnt Breakers  
Evidence of Leaks / Corrosion



Misaligned Chimney / Ventilation System  
Noisy / Vibrating / Leaking  
Rust / Corrosion  
Boiler / Pump Leaks (where applicable)  
Fuel Supply Leaks (where applicable)  
Misaligned Chimney / Ventilation System  
Convection / Radiant Heat System Covers – Missing / Damaged

9. LIGHTING OF PUBLIC HALLS AND STAIRWAYS –

- a. Public halls and stairways in every dwelling containing 2 to 4 dwelling units shall be provided with convenient wall-mounted light switches controlling an adequate lighting system that will provide at least 2 foot candles of illumination on all parts thereof and be turned on when needed. An emergency circuit is not required for this lighting;
- b. Public halls and stairways in every dwelling containing 5 or more dwelling units shall be lighted at all times with an artificial lighting system. Said system shall provide at least 2 foot candles of illumination on all parts thereof at all times by means of properly located electric light fixtures, provided that such artificial lighting may be omitted from sunrise to sunset where an adequate natural lighting system is provided;
- c. Wherever the occupancy of the building exceeds 100 persons, the artificial lighting system as required herein, shall be on an emergency circuit;
- d. All basements and cellars shall be provided with a lighting system that permits safe occupancy and use of the space and contained equipment as intended, and which may be turned on when needed;
- e. The required intensity of illumination shall apply to both natural and artificial lighting.

10. SCREENS REQUIRED – For protection against flies, mosquitoes and other insects, every door opening directly from a dwelling unit or rooming unit, to the outdoor space where feasible, shall be supplied with a screen covering at least 50% of the window area of the door, and said door shall be equipped with a self-closing device.

Every window or other opening to outdoor space used or intended to be used for ventilation shall likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens shall be no less than 16 mesh per inch, properly installed, and repaired when necessary to prevent the entrance of flies, mosquitoes and other insects.

Half-screens on windows may be allowed, provided they are properly installed and are bug and insect proof.

11. SCREENS FOR BASEMENT AND CELLAR WINDOWS – Every dwelling unit having operable basement or cellar windows shall be screened to prevent the entry of insects and rodents.

12. EXISTING HEATING TO DWELLINGS OR PARTS THEREOF – Every dwelling owner or operator, who rents, leases or lets for human habitation any unit contained within such dwelling, on terms either expressed or implied, shall supply or furnish heat to the occupants.

***Whenever a dwelling is heated by means of a furnace, boiler or other heating apparatus under the control of the owner or operator, in the absence of a written contract or agreement to the contrary, said owner and/or operator shall be deemed to have contracted, undertaken, or bound to furnish heat in accordance with the provisions of this section to every unit that contains radiators, furnace heat duct outlets, or other heating apparatus outlets, and to every communal bathroom and communal toilet room located within such unit.***

- a. Every central heating unit, space heater, water heater and cooking appliance shall be located and installed in a safe working manner to protect against involvement of egress facilities or egress routes in the event of uncontrolled fires in the structure;
- b. Every fuel burning heating unit or water heater shall be effectively vented in a safe manner to a chimney or duct leading to the exterior of the building. The chimney duct and vents shall be designed to assure proper draft, shall be adequately supported, and shall be clean;
- c. No fuel-burning furnace shall be located in any sleeping room or bathroom unless provided with adequate ducting for air supply from the exterior, and the combustion chamber for such heating unit is sealed from the room in an airtight manner. Water heaters are prohibited in bathrooms and sleeping rooms.
- d. Every steam or hot water boiler and every water heater shall be protected against overheating by appropriate temperature and pressure limit controls;
- e. Every gaseous or liquid fuel burning heating unit and water heater shall be equipped with electronic ignition or with a pilot light and an automatic control to interrupt the flow of fuel to the unit in the event of failure of the ignition device. All such heating units with plenum have a limit control to prevent overheating.

#### **D. MINIMUM SPACE, USE AND LOCATION REQUIREMENTS**

1. CEILING HEIGHT – Wherever possible, no habitable room in a dwelling or dwelling unit shall have a ceiling height of less than 7' 6". At least 1/2 of the floor area of every habitable room located above the first floor shall have a ceiling height of 7' 6", and the floor area of that part of any room where the ceiling height is less than 5' shall be considered as part of the floor area in computing the total floor area of the room for the purpose of determining maximum floor area.
2. ROOM WIDTH – All rooms, except kitchens and/or kitchenettes and baths, shall have a minimum width of 7'. Kitchens shall have a clear passage dimension of no less than 3' between walls, appliances and cabinets.
3. CELLAR SPACE NOT HABITABLE – No cellar space shall be converted or rehabilitated as habitable room or dwelling unit.
4. REQUIREMENTS FOR HABITABLE BASEMENT SPACE – No basement space shall be used as a habitable room or Dwelling unit unless all of the following requirements are met:
  - a. Such required minimum window area is located entirely above the grade of ground adjoining such window area, or an adequate window well of sufficient size as to allow escape of inhabitants residing within such basement apartment, has been constructed;
  - b. Such basement dwelling unit or rooming unit shall be entirely sealed off from the central heating plant with a one hour fire separation. To assist grantees in evaluating existing building components, HUD has published the "Guideline on Fire Ratings of Archaic Materials and Assemblies", February 2000, available at <http://www.huduser.org/publications/destech/fire.html>;
  - c. Such basement dwelling unit or rooming unit provides two means of exit, with at least one means of opening directly to the outside;
5. MINIMUM STORAGE AREAS – Each dwelling unit shall have at least one closet with a minimum of 6 square feet of floor area and a minimum height of 6', located within the dwelling unit. Dwelling units with 2 or more







- Frayed Wiring
- Missing Breakers / Covers
- Hazards – Exposed Wires / Open Panels
- Water Leaks on/near Electrical Equipment
- Floors and Walls – Bulging / Buckling
  - Floor Covering Damaged / Missing Floor-Tiles
  - Peeling / Needs Paint
  - Rot / Deteriorated Subfloor
  - Water Stains / Water Damage/Mold/Mildew
  - Trim – Damaged / Missing

- GFI – Inoperable
- Graffiti
- HVAC – Convection/Radiant Heat System Covers Missing/Damaged
  - General Rust / Corrosion
  - Inoperable
  - Misaligned Chimney / Ventilation System
  - Noisy / Vibrating / Leaking
- Lavatory Sink – Damaged / Missing
- Lighting – Missing / Damaged / Inoperable Fixture
- Mailbox – Missing / Damaged
- Outlets / Switches / Cover Plates – Missing / Broken
- Pedestrian / Wheelchair Ramp
- Plumbing – Clogged Drains
  - Leaking Faucet / Pipes
- Range Hood / Exhaust Fans – Excessive Grease / Inoperable
- Range / Stove / Refrigerator – Missing / Damaged / Inoperable
- Restroom Cabinet / Sink / Shower-Tub – Damaged / Missing
- Smoke Detector – Missing / Inoperable
- Stairs – Missing / Damaged/ Broken Steps-Handrailing
- Ventilation / Exhaust System – Inoperable
- Water Closet / Toilet – Damaged / Clogged / Missing
- Windows – Cracked / Broken / Missing Panes
  - Damaged Window Sill
  - Inoperable / Not Lockable
  - Missing / Deteriorated Caulking / Seals / Glazing

Health and Safety:

- Air Quality – Mold / Mildew Observed
  - Propane / Natural Gas / Methane Gas Detected
  - Sewer Odor Detected
- Emergency / Fire Exits – Blocked / Unusable
  - Missing Exit Signs
- Flammable / Combustible Materials – Improperly Stored
- Garbage and Debris – Indoors / Outdoors
- Hazards – Other / Sharp Edges / Tripping
- Infestation – Insects / Rats / Mice / Vermin
- Pools and Related Structures – Fencing – Damaged / Not Intact
- Trash Collection Areas – Chutes – Damaged / Missing Components

## F. FURTHER GUIDANCE TO MINIMUM REHABILITATION STANDARDS

1. WORK WRITE-UP, COST ESTIMATES, CONSTRUCTION CONTRACTS AND CONSTRUCTION DOCUMENTS – Construction contracts, work write-ups, and construction documents must be in sufficient detail to establish the basis for uniform inspections of the housing to determine compliance with the minimum rehabilitation standards.
2. INSPECTIONS – Initial, progress and final inspections are required to be completed along with appropriate documentation of such in each property / project file. Progress and final inspections must be conducted to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.
3. HEALTH AND SAFETY – In housing that is occupied, any life-threatening deficiencies that are identified must be addressed immediately.
4. MAJOR SYSTEMS – Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the remaining useful life of these systems must be estimated based on age and condition, upon project completion of each major system. (For multi-family rental housing projects of 26 units or more, the remaining useful life of the major systems must be determined through a capital needs assessment of the project.) For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, there must be a replacement reserve established and monthly payments made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, each of the major systems must have a remaining useful life for a minimum of 5 years, upon project completion, or the major systems must be rehabilitated or replaced as part of the rehabilitation work.
5. CAPITAL NEEDS ASSESSMENT – For multi-family rental housing projects of 26 units or more, a capital needs assessment of the project is required to determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project.
6. DISASTER MITIGATION – Where relevant, it will be required that the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements, or such other requirements as HUD may establish.
7. BROADBAND – HUD includes internet connectivity in the regulatory definition of “utility connections.” All National Housing Trust Fund-assisted housing must meet the minimum property standards upon completion, so efforts to provide broadband internet access, where applicable, must be undertaken as part of the project.