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DEPT. OF ECONOMIC DEVELOPMENT

Nebraska Affordable Housing Trust Fund (NAHTF)

2018 Qualified Allocation Plan (QAP) Amendment

FINAL

Nebraska Department of Economic Development
July 1, 2018 - June 30, 2019
(2018 Program Year)

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**Nebraska Affordable Housing Act
Qualified Allocation Plan (QAP)
2018**

Amendment

Nebraska Affordable Housing Trust Fund:

During the 2018 program year, the Nebraska Affordable Housing Trust Fund (NAHTF) proposed allocation included \$10,700,000 for distribution within the annual cycle, HOME match activity and discretionary funds. The Department awarded \$7,865,950 in the annual cycle and \$870,420 is allocated to HOME match projects. This results in \$1,963,630, in unallocated annual cycle funds and discretionary funds.

The Department is amending the QAP to include an additional funding cycle, making up to \$1,963,630 available for the NAHTF Innovative Housing Demonstration Program. This special cycle seeks new, creative and innovative projects and uses of Nebraska Affordable Housing Trust Fund resources. Projects that provide innovative solutions to address critical local housing needs, attract new residents and that may be replicable in other communities will have an opportunity to submit proposals under the program.

Addressing a statewide housing shortage is of critical importance for the continued economic development of the State. This Demonstration Program will provide innovative and creative solutions to the housing shortage and is necessary for communities to grow, businesses to fill existing open positions or expand their workforce, and grow the tax base of the state.

The NAHTF Innovative Housing Demonstration Program will begin with a Request For Proposals (RFP) process. Proposals will be reviewed, ranked, and successful applicants will be invited to make in person presentations to the Department review team. Those Proposals selected for award will then submit a full application and be provided technical assistance throughout the project.

Timeline:

October 26, 2018 - QAP Amendment Posted
November 9, 2018 - 14 day Public Comment period ends
November 14, 2018 - 90 day Request for Proposals period begins
February 13, 2019 - Proposals Due by 5:00 p.m.
February 14-22, 2019 - Proposal Review
TBD - Presentations
March 29, 2019 - Announce Awards

Public Comments and Responses

From: Gabriel Steinmeyer <gabriel@neligh.org>
Sent: Friday, October 26, 2018 10:00 AM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Cc: Lauren Sheridan-Simonsen <lauren@neligh.org>
Subject: NAHTF QAP Comment Period

Hi Pamela,

I am excited to see the extent of this "Innovative Housing Demonstration Program" and what the guidelines will be to participate. Neligh has a truly innovative idea which we are looking to implement in our community over the next two years to address local housing needs, and we believe the process could be replicable in many areas around the state. Thank you for the update on the funding availability and we look forward to learning more about the program and submitting an application.

Gabriel Steinmeyer
Director of Economic Development
City of Neligh
105 East 2nd Street, Neligh, NE 68756
Office: 402.887.4447
Cell: 605.645.3884
Email: gabriel@neligh.org
Website: www.Neligh.org

Clearwater Economic Development
Clearwater, Nebraska
P.O. Box 116
Village Office 402.485.2365
Website: <http://www.clearwaterne.com>

RESPONSE: Thank you for your comment. The Department looks forward to receiving Innovative Housing Demonstration project proposals.

From: Paula Biehle <pjbiehle@hotmail.com>
Sent: Friday, November 02, 2018 9:49 AM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Subject: Comment on NAHTF QAP Amendment

Good Morning, Pamela:

The City of Madison and its residents are grateful to the NE Department of Economic Development for assistance with affordable housing. Every year construction costs go up, making it more difficult to provide quality workforce housing for the many who work in important manufacturing jobs. And, every year, it becomes more important to replace old dilapidated housing with new solutions.

I applaud and fully support the efforts of DED to think outside the box and use funds for innovative and creative housing solutions. It will be very interesting to see what kind of projects are submitted as RFP's.

Thank you again for helping the City of Madison now, and in the past, with needed funds to provide good housing options to our residents.

Sincerely,

Paula Biehle, Treasurer/Office Mgr.
City of Madison, NE

RESPONSE: Thank you for your comment. The Department looks forward to receiving Innovative Housing Demonstration project proposals.

From: Jim Rieker <jrieker@advantagecap.com>
Sent: Tuesday, October 30, 2018 7:10 PM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Subject: Nebraska Affordable Housing Trust Fund Public Comments

Pam,

Thank you for returning my call, yesterday. As per our conversation, please find the attached letter requesting that you consider the Builder Foundation as a potential use of the NAHTF. Please feel free to call me or Mark Bowder if you have questions.

Thank you and have a great evening.

Jim

ADVANTAGE

CAPITAL

Jim Rieker – Vice President

5548 N. 153rd Street
Omaha, NE 68116
Office: 314.480.3190 · Mobile: 314.681.7958
jrieker@advantagecap.com · www.advantagecap.com



The Builder Foundation

October 30, 2018

Pamela Otto
Housing Coordinator
Nebraska Department of Economic Development
P.O. Box 94666
Lincoln, NE 68509-4666

Sent via email: pamala.otto@nebraska.gov

Re: Public Comment Period for Nebraska Affordable Housing Trust Fund

Dear Pam:

On behalf of The Builder Foundation (TBF), I would like to present an innovative way to utilize the Nebraska Affordable Housing Trust Fund (NAHTF) dollars. The NAHTF can be used to provide education for the housing industry. With the shortage of labor in the construction industry trades, we need to provide education to young people to get them interested in the trades. With the potential of losing up to one-third of our trades workforce in the next five years due to retirement, we need to make a push to get more people interested in the trades.

TBF's Mission Statement is simple- "Building & Developing Tomorrow's Construction Leaders." To accomplish this mission, we have developed a program called the Builders of the Future. The purpose of this program is to locate, encourage and educate the next generation of construction trade specialists. We work in the Omaha area and surrounding area high schools to attract primarily juniors and seniors to teach them construction skills and to build a project. These have varied from playhouses, decks, basement remodels and even school buildings from ground up. The program is designed to include builder mentors from the homebuilder industry, funding for education, materials donations and employment opportunities in the residential and light commercial construction community.

Through our partnership with Metro Community College and Avenue Scholars, we can offer kids scholarships for dual enrollment while in high school. They can leave high school with one full year of college credit. They can go directly into the construction trades, continue at Metro or go to a 4-year college. If they go into the trades out of high school, we will give them a set of the basic tools they need to start their career. If they decide to go to Metro, there are scholarships available to continue their education in the construction trades. With 24 high schools and nearly 650 kids, the demands on donations and partners is great. We need additional funding to keep the program growing and attracting new kids to the construction trades. By funding TBF with money from the NAHTF, we could continue to operate our program and look to additional schools, both with Omaha and neighboring communities.

c/o Blackman & Associates, PC
Attention: Dennis Blackman
17445 Arbor Street, Suite 200
Omaha, NE 68130

P. Otto
Page Two
October 30, 2018

We look forward to your thoughts on this concept. We're excited to be working with so many partners to keep this program moving but we need more help to accomplish this exciting work. Please consider adding such a program to the Qualified Allocation Plan for the NAHTF.

Please let me know if you have any questions. You can reach me at 402-681-7958 or at huskerjim12@yahoo.com. Or, you may reach our Program Coordinator, Mark Bowder at 402-290-2235 or at nebuildersofthefuture@gmail.com.

Sincerely,

James K. Rieker
Board Member

Cc: Mark Bowder
Ted Grace

RESPONSE: Thank you for your comments. The Department looks forward to receiving Innovative Housing Demonstration project proposals. All projects funded through the Housing Demonstration program must meet one of the eligible activities of the Nebraska Affordable Housing Trust Fund program, as provided in Section 58-706 of the Nebraska Affordable Housing Act.

The Request for Proposals for the Housing Demonstration project has been issued. Proposals are due to the Department by February 13, 2019 and can be found at the following link, <https://opportunity.nebraska.gov/wp-content/uploads/2018/11/NAHTF-RFP-Demonstration-2018-Final.pdf>.

From: Andy Long <andy@mccookne.org>
Sent: Wednesday, November 07, 2018 1:15 PM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Subject: QAP Amendment Public Comment

Pamela,

Attached is our public comment from MEDC for the QAP Amendment Public Comment Period. Thanks for this opportunity!

Thanks,

Andy Long
Executive Director
McCook Economic Development Corporation
402 Norris Ave Suite 301
McCook, Nebraska 69001
Tel: 308-345-1200 ext 321 / Cell: 308-737-5777 / FAX: 345-2152
Email: andy@mccookne.org / Web: mccookne.org

November 7, 2018

Pam Otto
Housing Coordinator
Nebraska Department of Economic Development
P.O. Box 94666
Lincoln, NE 68509-4666

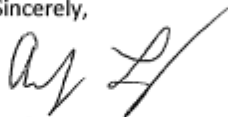
Dear Ms. Otto:

Thank you for the opportunity for public comment on the Nebraska Affordable Housing Act Amendment. Although, I've only been in this position for five months, it is easy to see the importance of addressing the statewide housing shortage.

I appreciate the willingness of the Nebraska Department of Economic Development (NDED) to consider innovative solutions for the Nebraska Affordable Housing Trust Fund. We look forward to the Request for Proposal period and even if we choose not to submit a proposal at this time, we hope NDED will consider innovative proposals in the future

The support of the Nebraska Department of Economic Development team has been beneficial as we have gone through a time of transition at MEDC. I look forward to collaborating with NDED to implement programs to improve the shortage of housing in McCook and southwest Nebraska.

Sincerely,



Andy Long
Executive Director

RESPONSE: Thank you for your comment. The Department looks forward to receiving Innovative Housing Demonstration project proposals.

From: Nancy Bentley <sbha@scottsbuffhousing.com>
Sent: Thursday, November 08, 2018 9:48 AM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Subject: NE AFFORDABLE HOUSING ACT QAP Comments

Dear Pam,

I would suggest that the eligible participants for funds include Public Housing Agencies that are not involved in RAD, LIHTC, NSP or other funding sources. Those limitations create barriers for otherwise eligible public housing authorities. It would be better to require that the public housing agency provide proof that they are a High Performer in either Section 8 or Public Housing REAC scoring, similar to the HUD Moving to Work new requirements.

I also feel strongly that there needs to be equal distribution of funding in the DED districts rather than the congressional districts. Otherwise, there could be one or two large distributions in Eastern Nebraska and Western NE would be unable to compete. Our housing needs are just as critical to our communities.

Thank you for the opportunity to comment.

Nancy
Nancy J. Bentley, Chief Executive Officer
Housing Partners of Western Nebraska
Chappell, Gordon, Hay Springs, Sidney &
Scotts Bluff County Housing Authorities
Phone: 308-632-0473
Fax: 308-632-0476
www.scottsbuffhousing.com

RESPONSE: Thank you for your comments. Public Housing Authorities are eligible applicants for the Nebraska Affordable Housing Trust Fund (NAHTF) program. The National Housing Trust Fund includes the restrictions mentioned in your comment. The Congressional District distribution for the NAHTF program is required by statute and would require a Legislative change.

From: Brian Gaskill <bthreegconsulting@gmail.com>
Sent: Friday, November 09, 2018 1:09 PM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Cc: Matthew <matthew@housingdevelopers.org>
Subject: PUBLIC COMMENTS for NAHTF QAP Amendment

Pam,

Below are official public comments related to the current amendment.

Brian Gaskill, President
B Three G Consulting Group
bthreegconsulting@gmail.com
402-435-3903
cell: 402-540-9648
bthreegconsulting.com

Nebraska Affordable Housing Act, Qualified Allocation Plan (QAP) Public Comments

Comment #1: The Nebraska Department of Economic Development (DED) has identified a public comment period to amend the current 2018 Qualified Allocation Plan, and provided a one page “amendment” to the QAP. It is unclear which sections of the current QAP are being amended. Please clarify to the public which sections of the QAP are being amended so that the public has better detailed information related to this amendment.

Comment #2: Section 2.1 of the current QAP identifies the various “Activities” that will be funded from 2018 NAHTF resources. It is unclear which category, or categories, the NAHTF Innovative Housing Demonstration Program fits under. Please clarify to the public so that they have a better understanding of how this new initiative may impact the various funding categories.

Comment #3: Section 3.3 of the current QAP notes that DED will work to ensure that NAHTF resources are distributed among the three US Congressional Districts. Please clarify to the public how the new NAHTF Innovative Housing Demonstration Program ensures the necessary Congressional distribution.

Comment #4: Section 3.7 of the current QAP notes that the NAHTF allocation requires a 10% match for all projects. This appears to be inconsistent with current DED regulations. Creating NAHTF match requirements that are inconsistent with current housing regulations are overly burdensome.

The current regulations only require a 10% match for projects that include a for-profit entity working in conjunction with other qualified recipients. In 2017, the Department revised this interpretation without any regulatory change, and without working with the necessary entities that allow for regulatory amendments.

The Department should be mindful of the customers utilizing the Trust Funds, as a broad interpretation of match for all projects and only limited to a few activities, can harm the very beneficiaries that Trust Funds are intended to help which includes low-income homebuyers, homeowners, and renters as the availability of affordable and safe housing becomes limited.

The general consensus from customers throughout the state is that the Department should move forward with a more flexible approach and show commitment to the Trust Fund, affordable housing, and collaboration with housing partners by creating simple policies that provide flexibility in determining matching requirements. Matching resources for any project are to be very broad in scope and resources

must have a clear and direct relationship to the project(s) to be funded with Trust Fund resources. The Department should not overly limit the types of funds that could be utilized to enhance project activities.

Comment #5: It is important for the State to ensure that a more customer-focused approach to housing applications, and housing application guidelines, is implemented. Requiring a 10 year affordability period for NAHTF rental applications is overly burdensome and prevents many communities and non-profits from applying for these resources. The affordability period should be reduced to 5 years for any NAHTF cycle or initiative. This is a reasonable amount of time, and one that many customers would support.

Comment #6: The housing program should better coordinate efforts with the community development and economic development programs in order to spread out application cycles throughout the year. Having several applications due in the first few months of the year is overly burdensome and not in the best interests of the customers.

Comment #7: The housing program (NAHP) should make better efforts to make their applications more customer friendly as the current applications are overly burdensome. The application requirements are too comprehensive and require a number of unneeded items. For example, a required pre-application and several required exhibits that are not requirements of State programs are being placed in State housing programs. This is unnecessary and burdensome. In addition, many applications being submitted are hundreds of pages long that creates an undue burden on the public. The NAHP should better simplify their program by working with the public, the Nebraska Commission on Housing and Homelessness, and others in order to simplify applications.

RESPONSE: Thank you for your comments.

#1: This amendment includes only an addition to the QAP, allowing an additional application cycle, and does not change any other sections of the QAP.

#2: As stated in the amendment, the funds available are “unallocated annual cycle funds and discretionary funds.” The Request for Proposals for the Innovative Housing Demonstration Program includes the following eligible NAHTF activities:

- “acquisition, new construction, or rehabilitation of rental housing units;
- acquisition, new construction, or rehabilitation of units for homebuyers or homeowners;
- acquisition, rehabilitation, or conversion of property into housing units;
- demolition that results in housing unit development;
- infrastructure that supports the development of housing;
- mortgage insurance guarantees, down payment and closing cost assistance; and
- making housing accessible to persons with disabilities.”

#3: As stated in the NAHTF statutes, application guidelines and QAP, the Department will make best efforts to allocate not less than 30% of the NAHTF to each congressional district.

#4: The Nebraska Affordable Housing Act, Section 58-707 requires match “at least equal to ten percent of the amount of assistance provided by the Affordable Housing Trust Funds.” The current NAHTF Rules and Regulations are under review for revision.

#5: The Department is currently reviewing NAHTF requirements, QAP, application guidelines and process for 2019. Your comment regarding affordability periods will be considered.

#6: The Department is currently reviewing NAHTF requirements, QAP, application guidelines and process for 2019. Your comment regarding application periods will be considered.

#7: The Department is currently reviewing NAHTF requirements, QAP, application guidelines and process for 2019. Your comment regarding the application and requirements will be considered.

From: Brian Gaskill <bthreegconsulting@gmail.com>
Sent: Friday, November 09, 2018 2:17 PM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Cc: Matthew <matthew@housingdevelopers.org>
Subject: OFFICIAL PUBLIC COMMENTS for NAHTF QAP Amendment
Pam,

Below are official public comments related to the current amendment.

Brian Gaskill, President
B Three G Consulting Group
bthreegconsulting@gmail.com
402-435-3903
cell: 402-540-9648
bthreegconsulting.com

Nebraska Affordable Housing Act, Qualified Allocation Plan (QAP) Public Comments

Comment #1: Neb. Rev. Stat. §58-708 of the Nebraska Affordable Housing Act details the elements of a Qualified Allocation Plan. It does not appear that the Nebraska Department of Economic Development provided the necessary detail within its amendment to the 2018 NAHTF Qualified Allocation Plan, as required by Neb. Rev. Stat. §58-708, to allow the public to clearly understand what portions of the current 2018 QAP were being revised. The details of these revisions have impacts throughout the state as some geographic areas, particularly specific US Congressional Districts, may be disproportionately impacted by the amendment which creates a “NAHTF Innovative Housing Demonstration Program”. The Department should provide more information to the public on the amendment, and not just a one page summary, which provides specific details about this new initiative so that persons throughout Nebraska will understand the potential impacts of this amendment.

Comment #2: Neb. Rev. Stat. §58-704 of the Nebraska Affordable Housing Act created a housing advisory committee to assist the Department in implementing and carrying out the activities of the Nebraska Affordable Housing Trust Fund. This committee, now known as the Nebraska Commission on Housing Homelessness (NCHH), should have the opportunity to work with the Department in the creation and implementation of the amendment to the 2018 QAP. It does not appear that the NCHH had the opportunity to consult on the amendment as an NCHH meeting has been scheduled after the end of the public comment period for this NAHTF amendment for November 27, 2018 while the public comment period ends on November 9, 2018. The Department should extend the public comment period for this amendment until after the NCHH, and others, have adequate time to review and discuss this amendment because the changes to the NAHTF QAP have statewide implications.

RESPONSE: Thank you for your comments.

#1: This amendment includes only an addition to the QAP, allowing an additional application cycle, and does not change any other sections of the QAP.

#2: The Nebraska Commission on Housing and Homelessness (NCHH) serves as an advisory committee to the Department. The possibility of an amendment and Demonstration Program was included in the DED Report at the June 27, 2018 and

September 7, 2018 NCHH meetings. All members of NCHH have the opportunity to comment during the public comment period.

From: Lara Huskey <lhuskey@mhdinc.com>
Sent: Friday, November 09, 2018 3:03 PM
To: Otto, Pamela <pamela.otto@nebraska.gov>
Cc: Kohout, Lynn <lynn.kohout@nebraska.gov>; Matthew <matthew@housingdevelopers.org>
Subject: Public comment: Proposed 2018 Nebraska Affordable Housing Act Qualified Allocation Plan (QAP) Amendment
Good afternoon,

Please find attached and copied below the public comment from Midwest Housing Development Fund, Inc. (MHDF).

Best regards,

Lara Huskey

Executive Vice President | Midwest Housing Development Fund | www.mhdinc.com

p: 402.715.5328 | 402.334.8899 ext. 228 | c: 402.540.4026 | lhuskey@mhdinc.com

515 N 162nd Ave, Suite 202, Omaha, NE 68118





MIDWEST HOUSING
DEVELOPMENT FUND, INC.

November 9, 2018

Pamela Otto, Housing Coordinator
Housing and Community Development Division
Nebraska Department of Economic Development
Transmitted via Electronic Mail to pamela.otto@nebraska.gov

RE: Public Comment on the Nebraska Affordable Housing Act Qualified Allocation Plan (QAP) 2018
Proposed Amendment

Dear Ms. Otto:

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

MHDF commends DED on implementation of the NAHTF Innovative Housing Demonstration Program and supports the evaluation process and components of the Demonstration Program application cycle. Further, in the spirit of promoting innovation and new ideas, MHDF encourages DED to carry this approach forward to the award and implementation stages of the process. DED should resist imposing typical NAHTF programmatic requirements that (1) are not explicitly stated in the Affordable Housing Act, Affordable Housing Act Rules and Regulations or the 2018 NAHTF QAP and (2) hinder the ability of the applicant to implement their proposal as designed. For example, DED should not require that 10% match funds be provided as cash that does not have conditions or restrictions. Instead, MHDF encourages DED to consider sources that can be attributed a monetary value and are used for eligible costs in the proposed project or program regardless of form, such as land donation and loans not made directly to the low-income beneficiary.

MHDF recommends incorporating the recommendations and comments mentioned above in all relevant sections of the Plan and Amendment.

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

Sincerely,

Lara Huskey
Executive Vice President

Copies to: Lynn Kohout, DED; Matthew Cavanaugh, Nebraska Housing Developers Association

515 N. 162nd Avenue, Suite 202 • Omaha, Nebraska 68118
Phone: 402-334-8899 • Fax: 402-334-5599

RESPONSE: Thank you for your comments. The Nebraska Affordable Housing Act, Section 58-707 requires "matching funds for the eligible activity in an amount

determined by the Department of Economic Development, which amount shall be at least equal to ten percent of the amount of assistance provided by the Affordable Housing Trust Funds.”