Nebraska Affordable Housing Trust Fund (NAHTF) Application and Award Management Guidelines for 2024 Award Cycle

State of Nebraska
Nebraska Department of Economic Development

February 2024 | 1.3

This guidance document is advisory in nature and may be amended during application cycle and/or may be supplemented at any time during application cycle with a NAHTF Questions & Answers (FAQ) document and other guidance posted on the NAHTF web page. Applicants should not rely on a downloaded hard copy of this guidance document, but rather check for most up to date version regularly throughout the application period and reference supplemental FAQ. This document is directly referring to the 2024 NAHTF application cycle.

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FUNDING CYCLE TIMELINE

2024 NAHTF TIMELINE	
Anticipated Dates	**Action**
Tuesday, November 14, 2023	NCHH Quarterly Meeting-Review Proposed 2024 NAHTF QAP
Thursday, November 30, 2023	Proposed QAP Posted & Public Comment Period Begins
Thursday, January 4, 2024	QAP Public Comment Period Ends
Thursday, February 8, 2024	Final QAP Posted
Thursday, February 8, 2024	2024 NAHTF Application Guidelines Posted and 2024 NAHTF Funding Cycle Opens
Friday, February 16, 2024	2024 NAHTF; Pre-recorded Pre-Application Workshop Available
Thursday, February 22, 2024	Open Office Hour for Application via WebEx; *from 10:00am to 11:00am (CT)*
Thursday, March 7, 2024	2024 NAHTF Pre-Applications Due by 5:00pm (CT)
Friday, March 8, 2024	2024 NAHTF Full Application Pre-recorded Workshop Available
Thursday March 14, 2024	Open Office Hour for Application via WebEx; *from 10:00am to 11:00am (CT)*
Thursday, March 21, 2024	Site Review Forms Due for New Construction, Rental Rehabilitation and Rental Conversion Projects *(When Sites Have Been Pre-identified)*
Thursday, April 11, 2024	Open Office Hour for Application via WebEx; *from 10:00am to 11:00am (CT)*
Thursday, May 9, 2024	2024 NAHTF Applications Due by 5:00pm (CT)

Download a pdf copy of the 2024 NAHTF applications by clicking links below and clicking on Download:

PRE-APPLICATIONS Due March 7, 2024:
 2024 NAHTF Housing Development Pre-Application
 2024 NAHTF Technical Assistance Pre-Application

FULL APPLICATIONS Due May 9, 2024:
 2024 NAHTF Housing Development Application
 2024 NAHTF Technical Assistance Application

Note: A downloaded copy from a link above will include all questions, even those that may be "conditional" and based on a specific project type. When completing an online application some conditional questions will only be viewable based on answer to a previous question.

1 Introduction

The following application guidelines pertain to the 2024 NAHTF application cycle a state funded program administered by the Nebraska Department of Economic Development (the Department). See *Post Award Management and Implementation* section for additional information on administering a NAHTF project if awarded.

This is not an all-inclusive or exhaustive guide. When further clarification is needed, DED will review on a case-by-case basis. Questions or requests regarding application or administration of an open award should be directed to the housing program representative for your region found on the NAHTF web page (See blue box labeled Contact DED Housing). The *NAHTF Application*

and Award Management Guidelines document is designed to support the applicant in successful application completion. It is also useful in preparing an applicant for compliance requirements if awarded, and to assist with successful navigation of the award's lifecycle.

As preparation for an application, the Department encourages applicants to review this document thoroughly, as well as the 2024 NAHTF Qualified Allocation Plan (QAP) available on the Department's NAHTF program page by clicking on Plans & Reports.

In the event that Application Guidelines are updated during the application cycle, a notice will go out to the NAHTF mailing list to alert Applicants of the newest version.

Applicants are encouraged to sign up for the DED mailing lists prior to submitting an application to ensure they receive any important announcements regarding the application cycle. Follow this link to sign up: *Join Our Mailing List*.

The link to the Application Portal, Application Guidelines, Frequently Asked Questions, and other related documents can be found at the Nebraska Affordable Housing Trust Fund web page: https://opportunity.nebraska.gov/programs/housing/nahtf/.

The first point of contact for application and program questions is the housing program representative for your region. To find the region and contact information go to the NAHTF web page and click on blue box titled *Contact DED Housing*.

Important:

External Users who will be acting as Application Preparers **must be added as an external user to the Applicant's own AmpliFund Account**. Applicant preparers should **not** use their own AmpliFund account to prepare applications on behalf of another organization. Applications that are not submitted through the applicant's own AmpliFund account will risk having application rejected.

Tip: On the AmpliFund Resources page, search "External User Guide" and "How to Add Users" to assure the proper account is being set up for the application submission.

2 Program Overview

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 was adopted to address the state's affordable housing needs and called for a portion of the documentary stamp tax from Nebraska real estate transactions to be transferred to NAHTF providing a resource to increase the supply and improve the quality of affordable housing in Nebraska and to encourage economic development and promote the general prosperity of all Nebraskans. On February 8, 2024, the Department published a NAHTF Qualified Allocation Plan detailing the program effective July 1, 2024 – June 30, 2025 (2024 Program Year.)

Nebraska's 2020-2024 Consolidated Plan for Housing and Urban Development (HUD) federal programs was finalized in June 2020 and was substantially amended in January 2023. Housing continues to be a priority need for federal programs overseen by DED. NAHTF goals and priorities are integrated into the 2020-2024 Consolidated Plan to support the State's overall commitment to housing.

DED's role in NAHTF projects is as an investor and a partner. As an investor, DED is seeking applications for quality housing projects that will provide the best investments of State resources to promote affordable housing. As a partner, DED is interested in providing input as early as possible in project design and in working closely with Applicants to address any obstacles encountered during project development and implementation.

DED reserves the right to fund or not fund applications, to exceed the maximums, to adjust requested award amounts within budget line items and to adjust allocations, all to allow for flexibility to ensure Congressional District distribution requirements, reasonable cost allowance, organizational capacity, meeting urgent housing needs, or other geographic considerations.

NAHTF awards are conditional in nature meaning that an application selected for award is contingent on fulfilling the conditions outlined in the contract.   NAHTF is structured as a **reimbursement only** award and recipients are expected to submit payment requests for <u>transacted</u> expenditures only, unless specifically approved by the Department on a case-by-case basis.

Any NAHTF funds remaining from the annual funding cycle or any additional funding cycle may be used, at DED's discretion, to increase any NAHTF activities, to create an additional funding cycle, or be rolled forward to next cycle, whenever and whichever is determined necessary. For information on allocation of funds refer to the Department's 2024 NAHTF Qualified Allocation Plan at this link: https://opportunity.nebraska.gov/programs/plans-reports/.

2.1 DED Housing Priorities

The Nebraska Affordable Housing Act allows for DED to set priorities for each program year. The 2024 DED Housing Priorities are listed below. All projects will serve beneficiaries who make at or below 120% area median income for the county the project units will be located in.

- New Affordable Housing Units for Homebuyers
- New Affordable Rental Housing Units
- Acquisition and Rehabilitation of Existing Housing Units for Resale
- Financial Assistance for non-profits engaged in housing development requesting funding for one or more of the following activities:
  - Organizational Capacity Building
  - Strategic Planning and Housing Study Funding
  - Staff Training for Housing Development Activities

Scoring will reflect a prioritization on the creation of new housing units.

3 Eligible Applicants

Eligible Applicants for NAHTF awards include local and governmental subdivisions (a tribal government, county government, municipality, township or village); State and Federally recognized local or regional Public Housing Authorities, or Agencies including Community Action Partnership Agencies; and community-based, neighborhood-based, or reservation-based nonprofits with tax-exempt status of 501(c)(3) or 501(c)(4). Applicants may partner with for-profit developers, builders, lenders, human service providers, and state or federal agencies to use NAHTF for eligible activities. The eligible applicant organization must be the applicant for the NAHTF funds.

All applicants must be registered to do business within the State of Nebraska and be listed on the Nebraska Secretary of State's website unless exempt from doing so. Exceptions include municipalities, villages, Development Districts and Public Housing Authorities.

Private developers receiving the benefit of NAHTF will be expected to provide a minimum of 10% of the project costs from their own resources for the completion of the project. This should be evident in the project's pro forma packet. Recipients should have a developer agreement in place when working with private developers who will own the completed units.

Applicants designated as 501(c)(3) or 501(c)(4) will be asked to upload their organization's IRS Letter of Determination verifying tax-exempt status at time of application submission. The Department as part of their review process may request the most recent Form 990 submission before making a funding decision.

DED designates those receiving awards under the NAHTF program as recipients. A recipient is an entity that receives an award to carry out a project funded by NAHTF in partnership with the State to create or rehabilitate affordable housing units or in the case of a technical assistance award, carries out an activity that will impact a nonprofit's ability to increase affordable housing development. Households (homebuyers, homeowners, tenants) that have the potential to receive the direct benefit of affordable housing funded with NAHTF are not considered recipients but are instead referred to as the potential beneficiaries of projects carried out with NAHTF funds.

Ineligible Applicants: Whereas otherwise eligible based upon the statutory requirements and thresholds, the following are explicitly ineligible:

o Applicants with open NAHTF awards that have not met DED Eligibility Threshold Milestones by time of full application due date (May 9, 2024,) will be **ineligible**. *See Section 12 Application Review and Selection Process.*
o Applicants that do not submit a required pro forma packet with full application may be ineligible for scoring or award.

4 Eligible Activities

The **Nebraska Affordable Housing Act** describes activities eligible for NAHTF assistance in Section 58-706 of the Nebraska Affordable Housing Act. Applicant should review DED's 2024 list of housing priorities in Section 2.1.

Section 58-706
- New construction, rehabilitation, or acquisition of housing to assist low-income and very low- income families;
- Matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families;
- Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
- Matching funds for operating costs for housing assistance groups or organizations, when such grants or loans will substantially increase the recipient's ability to produce affordable housing;
- Mortgage insurance guarantees for eligible projects;
- Acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families;

- Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
- Projects providing housing in areas determined by DED to be of critical importance to the continued economic development and well-being of the community and where, as determined by DED, a shortage of affordable housing exists;
  - *For the 2024 program year, Disaster Recovery Housing Projects (must be included in DR-4420) and projects resulting in new units are determined to be of critical importance and are included in the Housing Projects Funding Cycle.*
- Infrastructure projects necessary for the development of affordable housing (support activity implemented in conjunction with the development of affordable housing only);
- Down payment and closing cost assistance;
- Demolition of existing vacant, condemned, or obsolete housing, industrial buildings or infrastructure (support activity implemented in conjunction with the development of affordable housing only);
- Housing education programs developed in conjunction with affordable housing projects. Education programs must be directed toward:
  - Preparing potential homebuyers to purchase affordable housing and post-purchase homeowner education;
  - Target audiences eligible to utilize the services of housing assistance groups or organizations; and
  - Developers interested in the rehabilitation, acquisition, or construction of affordable housing;
- Support for efforts to improve programs benefiting homeless youth;
- Vocational training in the housing and construction trades industries by nonprofit groups;
- Weatherization and solar or other energy improvements to make utilities for housing more affordable.

4.1 Eligible Primary activities

Technical Assistance Primary Activities

Technical Assistance awards are provided to eligible nonprofit's including community or neighborhood-based organizations, housing assistance groups, or organizations involved in the creation of affordable housing whose proposed project demonstrates how it will increase the recipient's ability to produce affordable housing. The maximum request allowed is $50,000. (See Section 10 for details regarding the Technical Assistance Application.)

Technical Assistance eligible activities are as follows:
- Salary support for a new hire. [*New hire must be a new role or expanded role increasing capacity to implement housing programing*.]
- New Office Equipment, Software and Office/Workplace Improvements
- Strategic Planning
- Housing Study Funding
- Staff Training/Education specific to Housing Development
- Other: Applicants may propose a capacity building activity not listed above that can be demonstrated to increase an organization's capacity to create affordable housing. *Applicants choosing "Other" should review their project plan with a housing program representative prior to submitting an application to be sure it fits eligibility for a Technical Assistance award.*

The applicant will be asked to submit proposed Performance Plan goals as part of the application.

The goals should be directly related to a selected primary activity and each goal will include estimated cost to complete, a list of funding sources to be used, and description of costs typically associated with the goal. If awarded, DED will review the Performance Plan with awardee prior to contract execution. The Performance Plan is added as "Appendix A" to the Technical Assistance contract.

Examples of Technical Assistance costs might include but are not limited to salary costs associated with new staff, consultant fees, strategic planning costs, training and education for staff, and other costs specific to the attainment of the award's Performance Plan goals.

General Administration and Housing Management are <u>not</u> eligible expenses for Nonprofit Technical Assistance applications. There are no support activities for Technical Assistance applications.

Housing Development Primary Activities

Housing Development awards are provided to eligible applicants for purpose of creation of, or rehabilitation of, housing units and/or for providing direct homebuyer assistance to eligible homebuyers.

Eligible activities for housing development are described as three types: **primary, support and administrative** activities. Every project must include a primary activity in order to be eligible. Applicants may request up to $750,000 total for funding selected primary activities. If adding a support activity, primary plus support activity NAHTF request must not exceed $750,000. Below are descriptions of the eligible primary activities for housing development applications.

New Construction (This is a primary activity for homebuyer and rental projects.) Costs related to the building of a new structure(s) for single-family or multi-family housing units. Any project that includes the addition of dwelling units outside the existing walls of a structure is considered new construction.

Other eligible costs that may be incurred as part of a new construction activity are Reconstruction, Relocation, and Site Improvements described further below.

> **Reconstruction Costs** This refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment, including building a new foundation or repairing an existing foundation. Reconstruction also includes replacing a substandard modular unit with a new modular unit. During reconstruction, the number of rooms per unit may change, but the number of units may not. NOTE: Applicants with this type of project should consult with their housing representative to determine whether it will be a support or a primary activity. (*See definition of Modular vs Mobile in Appendix: Terms and Definitions, Section 16.*)
>
> **Relocation Costs** Both permanent and temporary relocation assistance is an eligible cost. Staff and overhead costs associated with relocation assistance are also eligible. This is also an eligible cost under Rehabilitation Activity.
>
> **Site Improvement Costs** Site improvement costs must be consistent with surrounding properties within the scope of the project. Examples include new, on-site improvements (sidewalks, utility connections, sewer and water lines, etc.) where none are present.

Purchase/Rehab/Resale (PRR) (This is a primary activity for homebuyer projects.) A PRR project involves the acquisition and rehabilitation of an existing housing unit <u>by a DED recipient</u> for sale to an eligible homebuyer. <u>The NAHTF budget will only have one primary activity listed</u>

named Purchase/Rehab/Resale. The PRR activity category includes costs for acquisition of the housing unit, site-improvements, and rehabilitation/construction costs. PRR projects awarded in the 2024 award cycle are NOT bound by the $40,000 per unit rehabilitation activity cap.

The acquired unit must be rehabilitated up to DED minimum rehab standards and sold to an income eligible household. Other funding sources may be used in tandem with the NAHTF rehabilitation funding to complete the unit if necessary. The amount of acquisition and rehabilitation costs is typically recaptured at time of sale to an eligible homebuyer.

If NAHTF funded homebuyer assistance (HBA) is requested for a PRR project, it will be tracked as a separate category in the NAHTF budget. Cost of acquisition of a PRR unit using NAHTF funding is not tracked as a separate line item in the purchase/rehab/resale project's NAHTF budget.

Rehabilitation (This is a primary activity for homeowner rehabilitation, rental rehabilitation, rental conversion projects and projects only offering homebuyer assistance with rehabilitation.) These costs include the alteration, improvement, or modification of an existing structure. The maximum amount of NAHTF funded rehabilitation for homeowner rehabilitation, rental rehabilitation (excluding conversion), and homebuyer assistance with rehabilitation projects is $40,000 per unit. Applicants should build their NAHTF budget with this cap in mind.

> **Conversion** of an existing structure into affordable rental residential housing is a type of rehabilitation activity. Conversion projects involve a building, having a non-residential use, or one that has been deemed uninhabitable and will require substantial renovation that alters an existing building's value by 50% or more for the purpose of creating affordable housing units. If DED approves the applicant's pre-application as a conversion project it will NOT be bound by the $40,000 per unit cap. Conversion projects typically involve commercial buildings otherwise not used for residential purposes. Applicants should discuss their project with a housing program representative to be sure the project fits as a rental conversion project prior to application.
>
> Rental conversion projects must meet DED's minimum rehabilitation standards and all applicable local and state building code requirements, including NDEE compliance, when applicable.
>
> The NAHTF per unit subsidy limit applies to rental conversion projects. [Per unit subsidy table is found on NAHTF web page.]

Homebuyer Assistance (primary activity for homebuyer projects.) A project providing homebuyer assistance (HBA) is directly benefiting the eligible homebuyer. These costs are associated with the purchase of a home, including down payment and closing costs. Projects that can fund HBA with NAHTF include homebuyer projects that involve new construction, purchase/rehab/resale, or as a standalone project activity that provides direct homebuyer assistance to eligible homebuyers of properties. DED refers to this as a homebuyer assistance only project. Existing properties must meet DED Minimum Rehabilitation Standards for rehabilitation projects. For new construction the housing unit must meet all local and state building code requirements, including NDEE compliance, when applicable.

New construction projects funded with NAHTF should provide a minimum of one thousand dollars ($1000) in NAHTF funded homebuyer assistance (HBA). This may be provided as a separate NAHTF funded budget line item (a primary activity) or through sale proceeds. The project description summary in application should explain how homebuyer assistance will be provided in

a NAHTF funded new construction project.

The closing disclosure statement at time of sale should identify the amount of NAHTF homebuyer assistance that was applied. This amount must be secured by a Deed of Trust or other such legal instrument (recapture provision). If not secured, the resale provision will apply.

If NAHTF is not funding HBA, but instead applicant is reducing the sale price below the market value in order to make the housing unit affordable to the homebuyer, this is called an "affordability subsidy." This amount must be secured until transfer of title. There is no time limit on paying back an affordability subsidy.

When a project does not use NAHTF to fund homebuyer assistance or an affordability subsidy, as part of a homebuyer new construction project, the applicant will need to protect the NAHTF investment by using the resale provision which uses a covenant or other such legal instrument to secure the NAHTF investment. *See Appendix: Terms and Definitions, Section 16.*

Important notes regarding primary activities:

New construction projects and **rental conversion** projects (where renovation alters an existing building's value by 50% or more) are required to have plans and specifications approved through Nebraska Department of Environment & Energy (NDEE) to ensure compliance with the most recent International Energy Conservation Code. Applicants should submit information as early in the project as possible in order to avoid delay in reaching Release of Funds. Contact NDEE for forms, 402-471-3683; http://dee.ne.gov.

Site reviews are required for all **new construction** projects (as well as **rental rehabilitation and conversion** projects). The current site review form must be downloaded from the NAHTF web page, completed, and emailed to a housing program representative. See timeline for the site review deadline to assure a housing representative may be able to approve the site review prior to application submission.

The NAHTF/HOME M**aximum Per Unit Subsidy** table applies to homebuyer and rental **new construction, purchase/rehab/resale** and **rental conversion** projects. The table is found on the NAHTF web page.

Home Value and After-Rehab Limits apply to homebuyer **new construction**, **purchase/rehab/resale**, and projects providing only direct **homebuyer assistance**. (homeowner rehabilitation is exempt from these limits.)
The amount of NAHTF funding used for the homebuyer assistance activity must be secured by the recipient throughout the affordability period.

Notes regarding rehabilitation projects:
Rehabilitation may include adding rooms that are not dwelling units, outside the existing walls of a structure.

If the PRR project does not request NAHTF homebuyer assistance or use proceeds from sale to provide homebuyer assistance, the recipient must use the resale provision to maintain the unit as an affordable unit during the period of affordability.

Homeowner OOR projects and rental rehab projects must secure the amount of NAHTF used on the rehabilitation throughout the affordability period.

The Department typically does not allow homebuyers, renters or homeowners to complete rehabilitation work themselves. Licensed contractors should be hired to complete the necessary rehabilitation work to bring each housing unit up to the Department's approved Minimum Rehabilitation Standards. In addition, contractors should be purchasing the supplies and material necessary for the rehabilitation work and directly charging (invoicing) the DED Recipient for reimbursement from the NAHTF award.

4.2 Eligible Support Activities

Support activities are not stand-alone activities but must be directly related to, or in support of, a project's primary activity. Not every support activity is available depending on the project type. The sum of request for primary plus support activities cannot exceed $750,000.

Note: Technical Assistance projects do not have support activities. See Section 10 for details.

Acquisition (support activity) Acquisition of vacant land is an eligible cost for homebuyer new construction and rental new construction projects. This is tracked as a separate budget category. A purchase/rehab/resale project (which includes acquiring an existing home to be rehabilitated) does **not** use acquisition as a separate budget category, and therefore, applicant does not select acquisition as a support activity.

Rental Reserves (support activity) Reserves are an eligible cost for rental projects. Reserves are for covering ongoing expenses incurred from the normal day-to-day activity of managing a rental unit throughout the affordability period. Reserves include **replacement, operating and rent-up reserves**. If NAHTF is requested, a separate budget line item is created in the NAHTF budget for rental reserves using NAHTF. Reserves are funded by NAHTF reimbursement upon documentation of unit completion and proof that reserve amounts have been placed into a separate bank account dedicated to the project's rental reserves. *(See definitions and details for Rental Reserves in Section 16.2.)*

Infrastructure Improvements (support activity) These costs are for the building of new, off-site utility connections usually to an adjacent street typically as part of a housing division. Such infrastructure costs might include major electric and gas lines along a new residential street, street paving, streetlights, etc. For budget creation, this is a separate category line item and must be conducted in combination with a primary activity. Infrastructure reimbursement will be made in proportion to the completion of units and upon proof that a unit has been sold to an eligible homebuyer or provided to an eligible tenant. A site review is needed when requesting this activity. *See 3.5 Site Review at end of this section.*

Note: This is different from a unit's utility hook-up costs which are considered new construction costs.

Demolition (Support activity) Demolition is a support activity used only when done in conjunction with another housing activity, typically homebuyer or rental new construction. Demolition is a separate line item in the budget for projects involving the demolition of whole structures on lots for purpose of building a new unit or multi-family units. In other words, the Demolition activity involves the removal of an existing building. It may be funded if the property meets the definition of a blighted structure as listed below. A blighted structure includes, but is not limited to, any dwelling, garage, outbuilding, warehouse, commercial building, or any other structure or part of a

structure, which:

a) Because of the effects of fire, wind, flood, or other natural disaster; or
b) Because of physical deterioration; or
c) Because of demolition, or partial demolition, not carried out to completion within a reasonable period of time; is no longer habitable as a dwelling or, in the case of a non-dwelling structure, is no longer useful for the purpose for which the non-dwelling structure was intended, and which has been designated by a NAHTF Applicant, as detrimental to the public health or safety in its present condition and use.

Developer Fee (Support activity) The developer fee is an eligible cost for homebuyer new construction and rental new construction projects and purchase/rehab/resale projects. Applicants who are acting in the role of the developer may request a NAHTF funded developer fee as a support activity on the application. They shall show this developer fee as part of the application's Development Cost Schedule in the pro forma packet.   This will be a separate line item in the NAHTF budget. *See Section 6 Award Amounts and Limitations.*

Projects working with a *for-profit* developer should show the *for-profit* entity's developer fee as part of the Development Cost Schedule in the pro forma packet and will <u>not</u> include the developer fee as a separate budget line item in the NAHTF budget. The *for-profit* developer fee charged to the project will be considered an eligible cost under the primary project activity, i.e., new construction, purchase/rehab/resale, and will not be a separate budget item on the NAHTF budget.

Developer fees listed in the Development Cost Schedule of the pro forma packet (whether charged by the applicant or a private developer) are expected to fund any unplanned cost overruns that the construction or rehabilitation contingency budget do not cover. Applicants partnering with a for-profit developer who will also own the units should do their due diligence to assure the developer fee being charged to the project is reasonable. If awarded, NAHTF recipients should work with their legal counsel to create a developer agreement when working with a for-profit developer on a NAHTF project.   (*For details see Section 6 Award Amounts and Limitations.)*

Deferred Developer Fee - When a deferred developer fee is listed as a source of funding on the pro forma packet's Sources and Uses sheet, the amount and the terms, including when payments will begin, need to be included on the pro forma spreadsheet or, if project is a homebuyer project, the applicant should list the terms of the deferred developer fee somewhere within the Homebuyer pro forma packet.   The developer fee is not an eligible support activity for homeowner (OOR), homebuyer assistance (HBA) and rental rehabilitation projects.

*Developer fee does not receive match points.

4.3 Eligible Administrative Activities

This section describes the three types of Administrative Activities associated with administering a NAHTF award. These are optional for Applicants to request. <u>Technical Assistance awards do not include budgets for General Administration, Housing Management, or Lead-Based Testing.</u> Therefore, the below guidance is specific to Housing Development Applications only.

General Administration These are costs generally associated with t h e administration requirements of an award. The maximum request is $20,000. The amount of NAHTF request must be rounded number divisible by five (5). Typical costs include staff time to fulfill Special Conditions, accounting of funds, payment requests, request for proposals for services, marketing the program as a whole (not individual addresses), completion of fair housing activity, and

completion of reports. (*For details see Section 6 Award Amounts and Limitations.*)

Housing Management These are costs that generally tie back to specific addresses being assisted by the project funds for up to $5,000 per unit not to exceed $75,000. Typical costs include finance-related costs; holding costs, credit reports; title binders and insurance; surety fees; recordation fees; transaction taxes; legal and accounting fees (address-related); requests for bids; appraisals; site review and work write-ups; and related professional services; homebuyer/tenant education/counseling, pre-construction conferences, bid meetings; and staff costs directly related to projects. No hard costs are included. (For details see *Section 6 Award Amounts and Limitations.*)

Lead-Based Paint Testing (LBP) This is a resource that can be requested for lead-based paint assessment and testing. There is a limit of $1,500 per unit. **This is not a required budget category** and applicants should review the *Lead-Based Paint Q & A* document provided on the NAHTF web page and included in the Appendix of these Application Guidelines. Any NAHTF Lead-Based Paint Testing funds remaining in the recipient budget will be recaptured by DED upon closeout. (For details see *Section 6 Award Amounts and Limitations.*)

4.4 Site Review Requirements

All new construction, rental rehabilitation, rental conversion, infrastructure and acquisition activities (associated with new construction) funded through NAHTF require a DED site review. If a new construction project will not have site(s) identified by the time of full application submission the applicant should discuss this aspect of the project with their housing program representative prior to application.

If a site is identified prior to application submission, the applicant must request a site review by March 21, 2024, to assure time for approving prior to full application submission. Site review requests after Notice of Award must be submitted 45 days prior to starting the project to a DED housing program representative has agreed to a period less than 45 days. (HBA only, PRR and OOR projects do not require a site review.)

5 Ineligible Activities and Costs

5.1 Ineligible Activities – Housing Development Projects

Activities and the costs associated with them are considered ineligible for reimbursement when they are not directly related to a NAHTF funded activity or administrative cost listed in the NAHTF budget or if they have been expended prior to receiving a notice of Release of Funds. The only exception to this is a limited amount of General Administration cost which may be incurred after Notice of Award (NOA) for purpose of completing Special Conditions requirements.

Except for the limited amount of General Administration expenses incurred for Special Conditions, all other project activity expenses incurred prior to receiving a notice of Release of Funds will be deemed ineligible.

Applications involving units included in previously funded projects that have not completed their affordability period in NAHTF, HOME, CDBG-DR or HTF and other state-administered programs are **ineligible** to apply.

NAHTF funded project development costs shall not include furnishings and personal property that are not an integral structural fixture including the purchase of equipment, and motor vehicles. *Note: primary appliances that are eligible for NAHTF funds in new construction and rehabilitation activities, include stove, fridge, washer, dryer, dishwasher, and microwave; one per unit of each.*

Construction or rehabilitation done on mobile homes are not an eligible cost. Mobile homes, as defined by the Department, are movable or portable dwellings constructed to be towed on its own chassis, connected to utilities, and designed for use with or without a permanent foundation for year-round living. (*Modular homes are eligible for NAHTF funding. They must be connected to permanent utility hook-ups and located on land owned by the housing unit owner or a DED-approved land trust.*)

Properties that will be financed with Low-Income Housing Tax Credits (LIHTC) are not eligible in this NAHTF application cycle.

Rental rehabilitation projects that are speculative, meaning they do not have sites identified at time of application, are **not** eligible. **However**, a rental rehabilitation project with **specific sites identified**, whether units are single-family, duplex, tri-plex or multi-family, may submit an application.

5.2 Ineligible Activities – Nonprofit Technical Assistance Projects

Nonprofit Technical Assistance Projects shall have defined Performance Plan goals which will also identify expenses related to each goal. If project is awarded, the Performance Plan will be reviewed by the Department for final approval and will become Exhibit A of the contract. Ineligible activities under a Technical Assistance project award and the costs associated with them include any cost not deemed appropriate by DED staff upon review or not directly related to the Performance Plan goals outlined in the appendix to the contract. Budgets for Technical Assistance awards only have one budget line item named *Technical Assistance*. See "Notes" in Section 10, Project Activities.

6 Award Amounts and Limitations

6.1 Nonprofit Technical Assistance

The maximum request for Nonprofit Technical Assistance award is $50,000. The contract is for a two-year period that beings with Notice of Award. General Administration and Housing Management are not eligible activities for Nonprofit Technical Assistance applications.

Technical Assistance awards involve projects that increase a nonprofit's ability to increase their capacity for housing development activities. Typical projects involve hiring new staff or creating new services specific to housing, consultant fees, strategic planning, training and education for staff, and other costs specific to the attainment of the award's Performance Plan goals. *(See Section 10 for details.)*

6.2 Housing Development

Non-Administrative Activity Maximum (primary plus support activities)

Housing development project applications for the 2024 NAHTF award cycle may request up to $750,000 for non-administrative project costs for a 3-year contract period. The NAHTF amount

requested should be a rounded number, i.e. no cents. In addition to the project cost maximum, applicants of housing development project applications are eligible to request funds for supporting General Administration, Housing Management and Lead-Based Paint Testing (maximums listed below). These administrative costs can be requested over and above the $750,000 non-administrative project cost maximum.

Rehabilitation Activity Cap

A $40,000 cap applies to the rehabilitation activity for rental rehabilitation and homeowner rehabilitation projects. The $40,000 cap does not apply to purchase/rehab/resale or rental conversion projects.

Developer Fee Activity Cap

The Department limits the amount of NAHTF that may be requested for supporting a developer fee when applicant is acting in the role of developer. The developer fee may either be up to $15,000 per unit when project is not requesting Housing Management, or up to $10,000 per unit if Housing Management is also being requested. The Housing Management request will not exceed $5,000 per unit or the $75,000 project cap. The sum of the developer fee request plus Housing Management request cannot exceed $15,000 per unit.

Administrative Activity Allowances

The Department has determined a set maximum allowance available for request to support the administrative activities related to the administration of a state-funded project. The defined limits are described below.

General Administration may be requested by applicants for up to $20,000 and this request should be reasonable when considering amount and type of award being requested. Budget requests for General Administration must be a rounded number divisible by five (5). A one-time payment request of up to 10% of the total General Administration budget must be drawn after receiving Notice of Release of Funds to assist with expenses related to completing Special Conditions. Following the initial draw, the remaining draws can be made after 25%, 50%, 75% and 100% of non-administrative project costs have been expended. (In other words, at least 25% additional NAHTF project costs have to be expended prior to each additional request for General Administration reimbursement.) The schedule for reimbursement of General Administration costs will be defined in the contract.

The Department recommends recipients track their General Administration costs for their own project files to provide their organization with historical data useful for planning/budgeting for future award applications and for reporting to their own governing authorities.

Note: When completing payment requests for draws on General Administration, support documentation and proof of payment will not be a requirement.

Housing Management may be requested for up to $5,000 per unit, not to exceed $75,000 for projects with a primary activity of new construction, purchase/rehab/resale, homeowner rehabilitation, homebuyer assistance with rehabilitation, rental rehabilitation, and rental rehabilitation by conversion.

Rental projects may request $5,000 per unit for all units to be completed within the contract period (market rate and NAHTF affordable units).

Applicants with the only primary activity being homebuyer assistance will be eligible to request

up to $2,500 per unit in Housing Management, not to exceed $75,000. If a project will be providing rehabilitation along with only one primary activity of homebuyer assistance, the rehabilitation activity must be documented in payment requests in order to receive $5,000 per unit for Housing Management. Otherwise, unit completion will be reimbursed at $2,500 per unit.

Housing Management costs will be reimbursed on a per unit basis upon DED receiving proof of unit completion (i.e., closing disclosure document or lease up). The Department recommends recipients track their Housing Management costs for each project file to provide them with historical data useful for planning/budgeting for future award applications and for reporting to their own governing authorities.

Note: New construction projects should NOT be charging the following costs to Housing Management: building permits, portable toilets, demolition waste, roll-off, dumpster fees and other similar fees related to construction sites. The Department considers these costs related to the new construction budget line item and not Housing Management costs.

Note: Holding costs are a Housing Management expense and applicants need to take into consideration these costs if procuring for award administration from a third party. See Section 16.2 Terms and Definitions.

Lead-Based Paint Testing may be requested for up to $1,500 per unit in NAHTF funded assistance to be budgeted for lead-based paint assessments and testing. Any unused amount in this budget category remaining at the end of contract shall be recaptured by DED for use in future funding cycles. This category will not be eligible for a budget amendment. Applicants should review the *Lead-Based Paint Q & A* document provided on the NAHTF web page.

Congressional District Limitation
Projects may only serve ONE Congressional District per application. All units in a project must land in only one Congressional District per project application. In order to serve two different Congressional Districts, an applicant would need to submit two applications, one for each Congressional District.

An applicant may submit more than one application serving one Congressional District as long as the applications are for different project types. For example, an applicant may apply for a homebuyer new construction and a homebuyer purchase/rehab/resale project within the same Congressional District. Applicants may not apply for two homebuyer new construction projects to serve the same Congressional District.

Other Limitations
Existing housing units funded by Rural Workforce Housing Funds (RWHF) and Middle Workforce Housing Funds (MWHF) cannot be included in a NAHTF project except for very limited exceptions as follows:

- RWHF or MWHF units that have been built and are for sale may be purchased using funding from a 2024 NAHTF Homebuyer Assistance Only project award.
- If a NAHTF project will use RWHF construction funding as a funding source, beneficiaries of the NAHTF project **cannot** be households making below 100% AMI per 2023 legislation (LB191). (Recipients should contact their housing program representative if RWHF loans are part of the financing prior to submitting the application.)

If a NAHTF project will be submitting sites acquired by using funds from other state-administered

programs, applicant must contact their Housing program representative to discuss and receive guidance on whether these sites would be eligible for NAHTF funding. These decisions will be made on a case-by-case basis and based on the details of the project.

Projects providing NAHTF funded homebuyer assistance (HBA) to homebuyers as a standalone program may not share beneficiaries with another NAHTF funded homebuyer project as this causes a duplication of beneficiaries.

Furthermore, NAHTF new construction projects should be providing homebuyer assistance as a component of their program, either through NAHTF budget or by withholding a portion of the proceeds from sale of unit, unless project has chosen to invoke the Resale method. See Appendix for more information on Resale vs Recapture method.

Projects that involve properties previously financed with LIHTC, HOME, and/or NAHTF must have successfully completed their required period of affordability in order to be eligible to apply for the current NAHTF award cycle.

A NAHTF new construction project may involve sites acquired prior to NAHTF application with funding from the American Rescue Plan Act (ARPA), including but not limited to the Qualified Census Tract Affordable Housing Program (QCT AHP) and or other ARPA Recovery Programs administered by a unit of local government or the State of Nebraska. These programs may provide funding for acquisition and/or site prep for the purpose of development into new affordable housing units. Applicant should discuss this aspect of the project with their housing program representative before proceeding with a NAHTF application. Any income or affordability restrictions will require consultation with a housing program representative to determine compliance with the most restrictive program.

7 Cash Match and Leverage

7.1 Cash Match Requirements and Restrictions

Cash Match is unrestricted cash available immediately upon award to be used in the project by the applicant. The Cash Match may not be a loan paid to another organization or recaptured by the applicant and must remain in the project for the duration of the contract period.

Housing Development Application - Cash Match is not a requirement for NAHTF housing development projects. Points will be awarded when Cash Match is committed to a NAHTF housing development project. Projects with Cash Match committed will be required to document the use of the Cash Match on payment requests. Applicants with housing development projects that are providing cash match as part of their application are joining DED in the investment of resources and risk, therefore they are awarded points for taking on such.

Cash Match for housing development applications may be offered only in NAHTF funded primary or support activities in the NAHTF budget. Cash match points will not be awarded for general administration, housing management, lead-based paint testing, developer fee and/or other project related soft costs. Any cash match shown in the application budget for these categories at time of application will not be included in a DED contract if awarded.

Technical Assistance Application – Cash Match is not a requirement for Technical Assistance projects. Points will not be awarded for Cash Match committed to NAHTF Technical Assistance projects. However, projects that commit Cash Match must still document within payment requests

when Cash Match was used for costs related to a Performance Goal.

Applicants offering cash match for a either a Housing Development or a Technical Assistance project must complete and upload a signed Cash Match Documentation form in order for the cash match to be considered during review of the application. The form can be downloaded from the NAHTF web page under the Application Guidelines section. The Cash Match Documentation form MUST NOT BE ALTERED by applicant but must be filled out as instructed in order to receive match points.

Applicants providing cash match recognize that only project related costs incurred by the DED recipient are eligible. All cash match must be expended by a DED recipient during the contract period. These cash matching funds must be satisfactorily incurred and expended by the recipient for the use (Activity) as outlined in the contract and requested in proportion to Trust Fund costs submitted for reimbursement of the same budget line item. *All* cash match must be documented in payment requests and must be supported by documentation as required by the Department including but not limited to source documentation and proof of payment.

In summary, to determine whether funds used as cash match are eligible the following items must be true:

- Cash Match amount is unrestricted cash available immediately upon Notice of Award.
- Cash Match amount is being committed by the entity entering the contract with DED, i.e., the applicant.
- Cash Match is committed to a non-administrative activity that is also requesting NAHTF funding.
- Cash match is not being declared in administrative budget categories.
- The Cash Match Documentation form has been signed and submitted on applicant's letterhead as instructed.

If awarded, in order for the cash match to be applied, the following items must be true:

- Cash Match applied to a payment request has funded the payment of an expense incurred by the applicant and paid for by the applicant during the contract period (after ROF).
- Cash Match is being applied in proportion to the NAHTF funding being requested for reimbursement under the same activity.

NAHTF awards cannot be used as match for any DED administered Federal or State-funded applications.) Federal and State programs, including but not limited to, CDBG, HOME, CDBG-DR and any state-administered programs funded with American Rescue Plan Act (ARPA) cannot be used as matching funds for a NAHTF application. This restriction includes any Program Income from state-administered Federal programs.

Tip: Any expenses incurred prior to award are not eligible as match but may demonstrate project readiness and Applicants are encouraged to include details about pre-development costs within the application. (Form 04: Housing Project Financing)

7.2 Leverage Requirements and Restrictions

NAHTF resources are not intended to fund entire projects. Leveraged funds are defined as other non-NAHTF funding sources used for funding the hard costs of a primary or support activity during the open contract period. Examples are a bank line of credit, other non-DED awards, private

investment, owner equity, etc. These other sources are entered on the Leverage Table within the full application.

The Leverage Table should NOT include the following:
- Cash Match
- Homebuyer or Homeowner Contributions
- Homebuyer Mortgage or Rent Payments
- General Administration Costs
- Housing Management Costs
- Pre-Development Costs
- Post-Development Costs
- Proceeds from sale of the project's NAHTF funded units

Homebuyer/homeowner contributions, soft costs, pre and post development costs are relevant information about the project and can be described within the application's Project Description Summary, but they are not to be included in the Leverage Table.

If awarded, the Department will consider the leverage sources listed on the Leverage Table in the application and pro forma. DED may choose to include specific requirements in the recipient's contract regarding how the leveraged funds are documented during the DED contract period.

Leveraged funds are not included in the NAHTF contract budget but are considered an important part of the project and are reviewed during project scoring.

Proceeds from the sale of NAHTF funded units are expected by contract to be leveraged for use during the open contract period on subsequent units. The Development Pro Forma for homebuyer new construction and purchase/rehab/resale projects should show or describe how proceeds from sale of a unit will be used to produce subsequent units during the open contract period.

The Technical Assistance application will request a description of leverage funding sources being used for completion of goals.

For-Profit Developer/Owner Leverage Requirement

The Nebraska Affordable Housing Act requires that for-profit entities benefiting from NAHTF assistance must participate in the project's financing by providing a minimum of 10% of the amount of the NAHTF non-administrative assistance in the project. This is typically reflected in the project pro forma as owner equity. (LB86_2019)

Pre-Development Costs

Pre-Development costs such as planning, engineering, and site acquisition are some of the costs that an applicant may have already expended prior to applying. Pre-development costs should not be included in the application's Leverage Table. NAHTF does not track or reimburse for pre-development costs. Applicants have an opportunity to describe pre-development costs in a question within the application. (*Form 04: Housing Project Financing*)

8 Application Submission Information

8.1 Due Dates for Pre-Application and Full Application

Pre-Application is due by 5:00pm (Central), March 7, 2024.
Full Application is due by 5:00pm (Central), May 9, 2024.

DED recommends submitting <u>at least 2 days ahead of deadline</u> to leave room for any possible technical issues that may arise. Electronic submission will not allow applications to be submitted past the deadline. A "Success" message will appear on your screen and the **primary contact** email address (entered on the Project Information section) will receive an email notifying of the date and time of the submission that reads, 'Application Submit Success Notification'. The primary contact must be on staff with the applicant organization. An application preparer may check the application status by logging into the applicant's portal.

8.2 Submission Process

Applications are submitted electronically through DED's Grant Management System (GMS), AmpliFund, at any time after the application open date and on or before the application deadline. Applicants can access links to the applications on page 4 of these guidelines and on the NAHTF web page. Follow the application links provided to create a user profile in the GMS application portal and complete the application forms. For assistance with using AmpliFund refer to *Section 15: User Guides and Customer Support.*

Timely Receipt and Completeness Requirements
Applications must be submitted by the application deadlines before 5:00 (CT). Applications must be completed via DED's GMS and must fully comply with all requirements within the time period specified. Applications that are found incomplete or missing required attachments may be denied scoring and review. Applicants should plan to submit at least two (2) days ahead to minimize the risk of any last-minute technology issues. The Department is not able to assist applicants with submission once the deadline has passed.

All pre-applications and full applications are prepared at the applicant's expense. Applicants should follow the instructions within the application itself and refer often to these Application Guidelines for additional detail. If an applicant has issues with access to or using AmpliFund they should contact AmpliFund Support through one of the methods listed in *Section 15* of these guidelines.

Pre-application is required regardless of whether the same entity is submitting more than one application. **Submission of pre-application is due March 7, 2024, by 5:00pm (Central).** The information provided through the pre-application process is critical for DED housing staff to provide technical assistance to potential applicants and to assist DED for planning sufficient staff time for application review and scoring. No hardcopy submissions will be accepted.

There are two types of applications, and each type requires a pre-application. The two types of applications are the **Housing Development Application** and **Technical Assistance Application**. Work on full applications may begin at any time after the posting of these Application Guidelines. The user profile allows for saving of partially completed applications until the applicant is ready to submit their completed application. For consideration of an award, an application must

be finalized and submitted by the applicant (or their preparer) on or prior to the due date. Instructions for completing and submitting the application must be carefully followed to ensure accuracy and avoid unnecessary corrections in post-award.

DED will process all applications and conduct a threshold review and a competitive scoring process. At DED's discretion, clarifying information may be requested of applicants at any point in the process following application submission. When providing clarifying information applications may not be changed and/or altered.

NAHTF applications will be reviewed and competitively scored using both objective and subjective scoring criteria. Applications requiring the submission of a pro forma packet will also undergo a pro forma evaluation as part of the scoring process. Upon completion of scoring, award decisions are made.

All applicants will receive letters of selection or non-selection, or other communication. Applicants with applications that do not pass the initial threshold review will be notified within 60 days of application due date that their application will not be scored and will be given reason for the decision.

The Applicant's ability to follow application instructions and articulate the project's impact on housing supply will reflect favorably during the application evaluation phase. Other favorable items considered during evaluation may include the Applicant's ability to show capacity for effective and efficient fund management and project management experience which demonstrates the Applicant will be a reliable Recipient who will use awarded funds in a manner consistent with the law and requirements of NAHTF.

Important Reminders!
- Early preparation is essential to a quality application.
- You can SAVE your work and return to edit applications throughout the process.
- Review recorded workshops and supplemental material during application process.
- Attend open office hours to get application-specific questions answered.
- Contact a housing program representative with project specific questions.
- DED recommends applicants create their project's Program Guidelines prior to completing the online application.
- Use the DED Grants Help Center for AmpliFund guidance on "How to Apply."
- External Users acting as application preparers **must be added as an external user to theApplicant's own AmpliFund Account**. Applicant preparers should **not** use their own AmpliFund account to prepare applications on behalf of another organization.
  Tip: On the AmpliFund Resources page, search "External User Guide" and "How to Add Users" to assure the proper account is being set up for the application submission.
- Do not select "Submit" until the application is complete and has been reviewed by your project team or Authorizing Individual.
- Applicant must fill in all required questions (marked with an asterisk). Answer with "N/A" if question is not applicable to the project.
- When a section is completed, select "**Mark as Complete**" and select "**Save & Continue"** to be automatically forwarded to the next section.
- **SAVE OFTEN** as you work on the application within AmpliFund to avoid unexpected loss of input due to platform timing out.

- Applicant should follow the directions provided within the application itself or consult these Application Guidelines. Contact a housing program representative for assistance as needed.
- Applicant will not be able to review and submit until all sections have a checkmark.
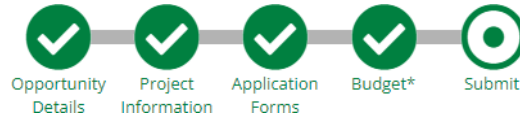
8.3 Naming Application

Applications will be identified by the name given in the **Project Information Section** of application. Follow the instructions and use the table below for naming the application. Be sure to use the appropriate abbreviations for the type and activity NAHTF is being requested for.

The GMS system (AmpliFund) will not allow the same name to be used for both the pre-app and the full applications. Therefore, "Pre-App" is added to the beginning of the pre-application name and is dropped when naming the full application, leaving the rest of the name the same.

Important!! Do **NOT** use name of the preparer organization when creating the application name unless applicant organization and preparer organization are the same entity.
   Format for naming a Housing Development application:
   (PreApp) 2024NAHTF (Applicant Name) (Type) (Primary activity)
               Example of Pre-App Name: PreApp 2024NAHTF *Applicant Name* HB NC HBA
               Example of Full App Name: 2024NAHTF *Applicant Name* HB NC HBA

Type abbreviations	Activity abbreviations
HB=Homebuyer	NC = New Construction
HO=Homeowner	PRR = Purchase/Rehab/Resale
RH=Rental	RH = Rental Rehab
	RH Conv = Rental Conversion
	OOR = Owner Occupied Rehab
	HBA = Homebuyer Assistance (DPA/Closing Costs)
	HBA/Rehab = Homebuyer Assistance with Rehab

   Format for naming a Technical Assistance application:
               Example TA Pre-Application: PreApp 2024NAHTF ABC Housing TA
               Example TA Full Application: 2024NAHTF ABC Housing TA

9 Housing Development Application

Following is information useful for completing each section of the full housing development application. Applicants are encouraged to contact their housing program representative if they have questions. **A pre-application is required** in order to be considered for full application. For questions regarding the pre-application submission, applicants should contact a housing program representative or see supplemental material on NAHTF web page.

There are three project types eligible for NAHTF. Only one project type may be applied for per application.

The three housing application project types are:

Homebuyer (new construction, rehabilitation, and homebuyer assistance)

Homeowner (rehabilitation)

Rental (new construction, rehabilitation, conversion)

The Housing Development Application has the following sections:

Opportunity Details

Project Information

Application Forms (5)

       Form 01: Applicant, Preparer, and Local Contact Information

       Form 02: Housing Project Information

       Form 03: Housing Project Design

       Form 04: Housing Project Financing

       Form 05: Terms of Acceptance

Budget*

Submit

Important Notes:

- It is highly recommended the applicant create a project's program guidelines prior to filling out the online application. The program guidelines are the foundational document for the program and must include DED requirements as outlined in the Program Guidelines Checklist. The Program Guidelines Checklist for each project type are found on the NAHTF web page.
- There are no character limits for narrative answers. Applicants are encouraged to provide clear, concise answers.
- If an applicant is unsure whether a question pertains to the project type the applicant may ask for assistance during the open office hour or contact a housing program representative.
- All fields with an asterisk need to have an answer before the application will allow the applicant to "Mark Complete" and/or "Save and Continue" and move on to the next section. Enter "NA" if question does not apply to project.
- At the end of each section the applicant has an option to upload supplemental material to support their application in the "Specific Applicant Upload" fields. Reference the supplemental material within an appropriate narrative or answer box the material is in support of.
- Applicants should use rounded numbers when creating the NAHTF budget request.
- Applicants should watch the pre-recorded workshops.
- Applicants may submit a question using the NAHTF Question & Answer link (located on NAHTF web page).
- Applicants having issues with AmpliFund should contact AmpliFund Support.
- Applicants should consult with a housing program representative for project related questions that are not answered in these guidelines.

9.1 Applicant, Preparer, and Local Contact Information (Form 01)

Under the menu button "Application Forms, Form 01" the applicant will complete contact information for the applicant, preparer, local contact, and will attest that they have or will meet milestone requirement by the submission due date. Applicant will also be asked to identify the congressional district and housing region the project units will be located in.

9.2 Project Service Area; Zone & Blighted Information (Form 01)

Within Form 01 under Application Forms the applicant will identify the congressional district project is located in, the geographic area (county vs community) that project units will be located in, and whether units will be located in an Enterprise Zone, Opportunity Zone, or an Extremely Blighted Area. Applicant will also indicate whether all or part of the project units will serve households at or below 80% area median income.

Congressional District - Projects may only serve <u>ONE</u> congressional district. In other words, projects may not have project units located in more than one congressional district. An applicant may submit more than one application per congressional district as long as projects will be conducting different project activities, i.e., homebuyer new construction and homebuyer purchase/rehab/resale are different project activities that may be applied for within the same congressional district. If an applicant wants to serve more than one congressional district they will need to submit a separate application for each congressional district.

Project Service Area – Applicants need to accurately describe the service area that the project units will be located in. Applicant will fill in only ONE of the service area boxes, either the county or the community, **not both.**

Select all applicable counties if every community within a county will be served. The applicant must intend for project to serve every community within a selected county if choosing to select counties for the project service area.

If only SPECIFIC, LIMITED communities within a county or across multiple counties will be served, the applicant should select all applicable communities. Select **only** those communities that could have project units located in them.

<u>Important! Discuss with housing program representative prior to submission if applicant believes service area needs to include both county and community selections.</u>

The Department will use its discretion when determining the service location to be served if awarded. The Department will NOT allow more than one congressional district to be served by an application. **Separate applications will need to be submitted if applicant is wanting to serve different congressional districts**.

Important Application Tip:
The Project Service Area (Form 01) and the Project Description Summary (Form 02) should be in agreement. Seek assistance from a housing program representative if questions.

Opportunity and Enterprise Zones; Blighted Areas

Applicants will indicate if any project units will be located within an Enterprise Zone, Opportunity Zone, or an officially designated Blighted Area. If a portion of or all units in the project will be located within one of these areas the applicant will need to upload a map showing the boundary the zone or blighted area and location of units within the boundary. If all project units will be within the boundary of a designated zone or area, the applicant may indicate on the map that all project units will land within the boundary shown, rather than marking each individual unit address.

Generally, communities hold the maps for the zones if the community has one of these zones/areas designated in or near their border. Non-profits may need to seek assistance from community/village clerks to confirm the designation of these zones/areas.

Applicants may follow the links below for additional information to assist with a determination:
Enterprise Zone: https://opportunity.nebraska.gov/programs/community/enterprise-zones/
Opportunity Zones: https://opportunity.nebraska.gov/programs/business/opportunity-zones/
Designated Blighted Area: https://nebraskalegislature.gov/laws/statutes.php?statute=58-504

Disaster Recovery
Projects are determined to be disaster recovery projects when they are focused on a long-term recovery effort from a natural disaster. The disaster recovery focus must be reflected as a central theme in the program guidelines and clearly designed to address a need resulting from the disaster whose beneficiaries were households affected by the disaster declared in 4420-DR counties. The project service area must be located in a declared counted to qualify. Disaster Recovery 4420-DR counties are found at this link: **https://www.fema.gov/disaster/4420.**

9.3 Project Types, Activities and Project Summaries (Form 02)

Form 02 of Application Forms will ask applicant to choose which housing project type is being applied for. **Only one type can be chosen per application.** There are three housing development project types: **homebuyer, rental, and homeowner.** The applicant is expected to answer all fields and short answer questions that pertain to one specific project type throughout the application.

For additional information on eligible activities and costs for each housing type consult *Section 4 Eligible Activities.*

Housing Project Types (Form 02)
Homebuyer Projects (new construction, purchase/rehab/resale, homebuyer assistance)
Homebuyer projects are designed to finance either new construction (creation of new units for sale to eligible homebuyers), or purchase/rehab/resale (PRR) (the purchase of existing units for rehabilitation and resale to eligible homebuyers) and/or providing direct homebuyer assistance (HBA) in tandem with another homebuyer activity or as a standalone primary activity. Projects must serve eligible homebuyers that make at or below 120% area median income. There is a cap of $750,000 for the sum of primary and support activities involving new construction, rehabilitation, or homebuyer assistance under the homebuyer project type.

Rental projects (new construction, rehabilitation, acquisition and conversion)
Rental housing projects are designed to finance either new construction or the acquisition and/or rehabilitation of pre-identified rental units. Projects must ensure a portion of, or all units, are affordable to tenants making at or below 120% of area median income. Projects will use the required pro forma and a cost allocation will indicate the minimum number of project units to remain affordable and subject to rent limits. There is a $40,000 cap per unit on rehabilitation projects. The cap does not apply to rental conversion projects. *(Speculative rental rehabilitation projects, are not eligible in the 2024 cycle.)*

Homeowner Projects (also known as Owner-Occupied Rehabilitation)
Homeowner projects are expressly for the rehabilitation of existing units under private ownership. Projects must serve eligible homeowners that make at or below 120% area median income. The property must be occupied by an income eligible homeowner as their principal residence. It must remain the principal residence throughout the contract affordability period.

Rehabilitation of existing units may include upgrades to both the interior and exterior and the work performed must bring entire structure up to the Department's Minimum Rehabilitation Standards and meet any applicable local codes. Typical costs include energy efficient upgrades like new roof, new HVAC system, new siding, paint and flooring. There is a cap of $40,000 per unit for the rehabilitation activity.

Project Description Summary (Form 02)

Provide a project description summary. This will provide a snapshot view of the project and give reviewers a clear understanding of project scope and amounts of NAHTF requested. Use the list below as a guide to providing a well written project description summary within the application. Applicant may provide bullet point answers or use paragraph style to address the items below with a goal of giving reviewers a succinct overview of the scope of the proposed project. There are no set character limits.

- Provide the Project Type (Homebuyer, Rental, Homeowner)
- Describe where project units will be located, i.e., the project service area
- Provide number of Units/Beneficiaries to be completed during contract
- Provide the Average Median Income (AMI) project will be serving
- List NAHTF Activities and the Amounts being requested for each activity
- Describe Other Sources (Leverage) to be used in the project
- Provide a general unit description, i.e., # of bedrooms, # of bath, square feet per unit, duplex, single-family etc. (Will not apply to homeowner rehabilitation, PRR or HBA only projects.)
- Include any unique factors for project that may be useful to a greater understanding
- Briefly describe the project's potential impact on the service area. (Include the population and # of households in the project's service area.)

Application Tips:

- Applicants who wish to include data on number of households in the project service area and population of the service area may find the following links helpful:

  Census.gov- https://www.census.gov/quickfacts/

  American Community Survey - https://www.census.gov/programs-surveys/acs/data.html

- Be sure information provided in the Project Description Summary aligns with same information found in the pro forma packet.

Organization Description Summary (Form 02)

Provide a description of the applicant organization and include information that demonstrates capacity and strength for administering a NAHTF award. This is an opportunity to speak to the unique nature of the organization. Answers may include, but are not limited to, the items listed below. There are no set character limits.

- Organization Mission Statement
- Brief Organizational History
- Organizational Priorities
- Staff Names, Roles and Experience
- Geographic Area of Influence
- Housing Development Experience of Staff and Project Team
- Description of Partner Collaboration, i.e. project partners, municipal, housing and/or community organizations

Housing Study (Form 02)

Applicant uploads a published housing study conducted by a third party or provides a link to the online version of the housing study used to demonstrate need for this project. Applicant will also

enter the date of the most recent updated version of the housing study. If the housing study has not been published or has not been updated within the last 10 years, applicant is asked to upload data gathered from other sources or created for purposes of this application in order to demonstrate the need for the project type being applied for.

Applicant should answer "No" to first question if a published housing study is not available or was not used as support for the project being applied for. If the applicant does not have a published housing study space has been provided to upload other data gathered by applicant to demonstrate the need for the project. This may include internal housing assessment, surveys, census bureau information, or other data useful for proving need for the project.

Project Activities Selection (Form 02)

The activity selection options will be determined by the project type chosen at top of Form 02 (Homebuyer, Rental, Homeowner).

Within the appropriate project type, the applicant is asked to select the primary activity that best describes how <u>NAHTF funds will be used</u>. For example, if the project is a homebuyer project funding both new construction and homebuyer assistance, the applicant should select the description that says, "New Construction and Homebuyer Assistance (HBA)".

After selecting a primary activity, a dropdown will open up below the descriptions asking for the amount of NAHTF to be requested for the activity choice made. Applicant should use rounded numbers for requested amounts.

After selecting the primary activity description for the project, the applicant will move on to select any support activities to be supported by NAHTF. Choosing a support activity is optional. <u>The applicant should only select activities that will use NAHTF funds if awarded</u>. For example, a project may be using other funding sources to acquire sites for new construction but is not requesting NAHTF for acquisition. Therefore, the applicant should **not** select acquisition as a support activity in this project and the NAHTF budget will <u>not</u> show an acquisition line item.

Requesting support for an administrative allowance is also optional. Select any that apply or leave them all unselected if the applicant will <u>not</u> be seeking NAHTF funding to support the administrative costs of the project. Do NOT select any activities that will NOT be using NAHTF funds if awarded.

When selecting activities in Form 02 remember the following:
- Every application must select one primary activity
- Requests for support activities and administrative activities are optional
- Review *Section 4 Eligible Activities* for details on each activity type

9.4 Program Guidelines and Project Design (Form 03)

Program Guidelines and Checklist (Form 03)

Applicants will need to create Program Guidelines and upload them to the application. The Program Guidelines **must be specific to this award application**. A Program Guidelines Checklist is provided by project type on the NAHTF web page for use by the applicant to be sure all requirements are covered in a project's Program Guidelines. Both the Program Guidelines Checklist and the Program Guidelines document must be uploaded to the application within

Form 03.

The applicant's governing body does not have to approve the program guidelines prior to application submission. However, it is a sign of project readiness if they have been reviewed by the governing body prior to submission. If awarded, Program Guidelines will be reviewed by the Department, and changes could be required before final approval.

Project Design Questions (Form 03)

Applicant will use their project's Program Guidelines to complete questions found in Form 03 under *Project Design Questions*. Answers in this section will demonstrate an applicant's ability to articulate key elements found in the project's program guidelines regarding design, administration, and beneficiary eligibility verification. These questions do not have set character limits.

Applicant should have already created their project's program guidelines and may copy and paste the information necessary for completing each question in this section. It is recommended applicants answer the questions succinctly without adding irrelevant or unrequested information that may lead to an overly extensive answer for review.

When completing the visitability and accessibility question applicant should provide an explanation when project type does not allow for making any of the recommended modifications, i.e., homebuyer assistance only that does not include rehab.

Attention Rental Projects: If awarded, the project's program guidelines submitted to DED for approval shall contain an appendix with the below list of documents. These documents are not required uploads for this application. However, an applicant's project team should be made aware of these requirements for Release of Funds as early in the project as possible.
- Proposed Lease Agreement
- Transition Plan and Policies for a lease-to-own project
- Tenant Selection Policy
- Tenant Rules and Regulations
- Statement for Governing Net Cash Flow
- Statement for Governing Reserves - For both Operating and Replacement Reserves

Note: *The Lease Agreement, Tenant Selection Policy, and Tenant Rules and Regulations should be in accordance with state law and be reviewed by legal counsel.*

Affordability Period (Form 03)

Applicant must select the number of years they are committing to keeping the project units affordable, available and/or the principal residence of beneficiaries in the targeted AMI. If awarded this will be the years entered into the contract.

Beneficiaries and Area Median Income (AMI) (Form 03)

Applicant indicates the number of units/beneficiaries to remain affordable at a specific AMI level. All units to be completed in homebuyer and homeowner projects will remain affordable units and applicant will indicate the AMI chosen. Applicant may choose more than one AMI to serve.

Rental projects will complete this section by indicating the number of households they will serve at or below an AMI. The units serving the selected AMI levels will remain restricted to DED prescribed rent limits throughout the affordability period. The AMI numbers entered should not include market-rate units being completed during the project.

The last question of the section is for rental projects to enter the number of market rate units that

will be completed as part of the project.   All other project types will enter "0".

Tip: Must enter "0" for any AMI's <u>not</u> being served in order to SAVE the form and move forward.

Additional Information by Project Type (Form 03)

Several questions in Form 03 of the application are conditional questions based on specific project types.   This means an applicant will need to select either "Yes" or "No" to a question before the next questions will appear.

If a question field has an asterisk (*), it means that it is a required answer field. However, if the question does not apply to the project type, the applicant may answer by entering "N/A" for "not applicable" to allow applicant to "Mark as Complete" when ready to move to next part of application.

Additional information regarding this section:

Rental Rates – Applicant will describe how they determined the rental rates for the units. See more information about rent limits under section discussing proformas. (Section 9.6)

Rental Vacancy Rate – The applicant will input the vacancy rate being used for the project pro forma. The average vacancy rate for Nebraska based on the 2020 American Community Survey, Table CP04, gives a 5.1% average vacancy rate for Nebraska. Applicant may input a number between the rounded average (5%) up to 7%. <u>If using a lower vacancy rate than the Nebraska average, applicant needs to provide a source and explanation for vacancy rate decision.</u> Applicant should be certain the vacancy rate entered here is also the rate used in the rental pro forma uploaded with application.

Rentwise Housing Provider Education – This education is not a requirement. Applicants submitting for rental projects that demonstrate having either the property owner, landlord or person responsible for the property management of the project's completed units may receive points for completing the online *Rentwise Housing Provider Education <u>prior to application submission</u>*.

To learn more go to https://training.rentwise.org/ and sign up. Questions regarding the Housing Provider Education may be directed to Amber Marker at Nebraska Housing Developers Association, at amber@housingdevelopers.org or 402-435-0315 extension # 2.

Note: This is different than Tenant Education which is a requirement of NAHTF projects.

Estimates and Designs – These documents speak to project readiness but they are not a requirement of the application. Applicant is asked to upload any cost estimates or architectural designs related to this project. The cost estimates need to be from a contractor and specifically created for the project being applied for. The architectural designs may be preliminary designs that demonstrate evidence of planning for the project. They need to clearly align with the site location and unit descriptions for the project being applied for.

Homeowner Projects (OOR) – Applicants will be asked to answer the following questions:

Is this the first owner-occupied rehabilitation project the applicant has administered?

Is this the first owner-occupied rehabilitation project for the project service area selected for this application?

Has applicant done any market analysis to assure project service area can support an owner-occupied rehabilitation project at the AMI selected?

If yes, applicant should upload the market analysis they have completed.

Rehabilitation Projects (Form 03)

Applicants with rehabilitation projects (PRR, Rental Rehab/Conversion and OOR) – Applicants should review the *Lead-Based Paint Q & A* provided by DED on NAHTF webpage under *Application Guidelines and Grant Administration.*

Lead-Based Paint Allowance –In order to better understand lead-based paint testing and how it relates to a particular project, applicants are encouraged to contact DHHS with questions regarding lead-based paint requirements for Nebraska projects. 2024 projects that receive a Notice of Award and have requested NAHTF allowance for lead-based paint will be asked to provide documentation proving funding is needed to meet Nebraska regulations prior to contract execution. Applicants can find a contact for DHHS at this link: https://dhhs.ne.gov/pages/lead.aspx.

Site Review (Form 03)

A site review is required for the following projects:

Homebuyer New Construction

Rental New Construction

Rental Conversion

Rental Rehabilitation

Projects with support activities of infrastructure or acquisition

Sites that are under ownership prior to application submission assure the project is ready to proceed if awarded. In order to receive points for site ownership at time of application submission the applicant is asked to upload proof of ownership. This may be a current county assessor real estate document or other ownership documentation proving the site is owned by either the developer partnering with the project or the applicant at the time of application.

If a project has an option in place, the applicant should mention this in their Project Description Summary and include documentation in an Applicant Specific Upload. This, too, is a readiness factor and valuable information for reviewers.

9.5 Housing Project Financing (Form 04)

Primary and Support activity Amounts

Using the table below applicant will indicate the amount of primary and amount of support activities being requested for the project. (*Form 02 Project Activities Selection*). The sum of primary plus support activities may not exceed $750,000.

Applicant will provide the average amount of NAHTF funds per unit being requested by adding together the amount of primary plus support activities and dividing by the number of units to be completed during the contract period.

NAHTF Primary activities + NAHTF Support activities = Total Project Costs		
Total Project Costs (TPC) must be $750,000 or less		
Primary activities	**Support activities**	**Administrative Allowances**
New Construction	Developer fee	Housing Management
Homebuyer Assistance	Demolition	General Administration
Purchase/Rehab/Resale	Rental Reserves	Lead-Based Paint Testing
Rehabilitation (includes conversion)	Acquisition	
	Infrastructure Improvements	

Use of NAHTF Funds
Applicant will indicate type of assistance being provided using NAHTF funding.

Assistance to For-profit Developer/Owner

If a for-profit developer will be the owner of the completed units assisted with NAHTF, the applicant will indicate how the NAHTF assistance is going to be provided to the for-profit developer/owner.

The choices available for selection are as follows:

- **100% forgivable loan.** The applicant organization will be providing the NAHTF funding as a 100% forgivable loan to the for-profit developer/owner.

- **Partially forgivable loan.** Developer/owner will pay a portion of the assistance back as a loan with terms at an agreed upon time and a portion of assistance will be forgiven.

- **100% non-forgivable loan.** The applicant organization has agreed to provide a loan with terms to the for-profit developer/owner. The terms could include, but are not limited to, an agreement to pay back a 0% to low interest loan at an agreed upon time, i.e., upon completion of unit, or full lease-up, or sale of unit to eligible homebuyer, etc.

- **Not Applicable.** This means the applicant is acting in the role of developer and/or will own the completed units.

Applicants, if awarded, should work with their legal counsel to create a developer agreement describing the terms of the assistance when developer is also the owner of the completed units.

Assistance to Beneficiary

If the project will provide direct financial assistance to homebuyers or homeowners in the form of a down payment and/or closing cost fees, applicant will indicate how the direct NAHTF assistance will be provided to the beneficiary.

The choices available for selection are as follows:

- **100% forgivable loan.** The applicant organization will be providing the NAHTF funding as a 100% forgivable loan to the beneficiary.

- **Partially forgivable loan.** The applicant organization will require beneficiary to pay part of the assistance back as a loan with terms, and part will be forgiven.

- **100% non-forgivable loan.** The applicant organization has agreed to provide a loan with terms to the beneficiary. The terms could include, but are not limited to, an agreement to pay back a 0% to low interest loan at an agreed upon time, i.e., monthly or annual payments, upon transfer of title, etc.

- **Not Applicable.** The applicant is not providing NAHTF funded homebuyer assistance to beneficiaries.

The amount of NAHTF funding used for the homebuyer assistance activity must be secured by the recipient throughout the affordability period.

Developer Fee Information
Applicant will indicate if they will be requesting a developer fee. Applicant must be acting in the role of the developer in order to request. If the project is partnering with a for-profit developer, the

fees charged by the developer will be funded out of the NAHTF new construction or rehabilitation NAHTF budget line items. (See Section 16.2 Terms and Definitions)

Only new construction projects (homebuyer & rental projects) and purchase/rehab/resale projects may request NAHTF to support a developer fee.

9.6 Pro Forma Packet (Form 04)

All pro formas must be uploaded as an **Excel** when submitting or the <u>application may risk being ineligible for scoring.</u>

A pro forma packet is a requirement for project types listed below.
- Homebuyer New Construction
- Homebuyer New Construction with Homebuyer Assistance
- Homebuyer Purchase/Rehab/Resale
- Homebuyer Purchase/Rehab/Resale with Homebuyer Assistance
- Rental New Construction
- Rental Conversion
- Rental Rehabilitation
- Projects involving Infrastructure or acquisition combined with a primary activity

Homebuyer Project Pro Forma
DED does not have a required pro forma template for Homebuyer projects. At a minimum, the project's pro forma packet should contain the following:

Unit Information
- average square foot, when known
- # of bedrooms, when known
- Projected Cost to Build
- Projected Sale Price per unit
- Projected Appraisal per unit
- Average amount of NAHTF-funded down payment per unit, if applicable

Sources and Uses (must be balanced and include cash match commitment as a source)

Cash Flow demonstrating the use of NAHTF funds moving through the project as proceeds from sale of unit and being used to construct subsequent units.

Applicants applying for homebuyer projects are encouraged to work with their project partners to prepare a pro forma packet. The cash flow should show how proceeds are leveraged from the sale of newly constructed or rehabbed units for use in completing subsequent units <u>during the open contract period</u>.

Homebuyer Unit Sales Price Questions
For projects involving the sale of units to eligible homebuyers applicants will answer the following questions:
What is the estimated cost to build each unit?
What is the estimated sales price per unit?
What is the estimated appraisal value per unit?

Applicant will describe how the unit sale price is going to be determined.

Hint: Sales price of units is typically determined using the anticipated appraisal amount or it may be based on the cost to build. The decision may be dependent on the project location, market conditions, and targeted beneficiary.

Rental Project Pro Forma

Applicants with rental projects must submit a completed DED Rental Pro Forma with application in order to be considered for scoring. **Rental Projects must use the required DED Rental Pro Forma downloaded from the NAHTF web page.** During review of the application, a cost allocation analysis will be performed on the rental pro forma to be sure applicant is claiming minimum required number of units to remain affordable for the affordability period as prescribed by the NAHTF program. Applicants should review Page 3 of the *Rental Program Guidelines Checklist* (downloaded from NAHTF web page) for details about completing the rental pro forma. The Rental Program Guidelines Checklist is found on the NAHTF web page under the Application Guidelines section.

Note: *NAHTF applicants should consult with a DED housing program representative prior to submitting the application if a project, in order to be feasible, will require a lessor number of NAHTF-assisted "affordable" units than what the pro forma is projecting. (Affordable units are those that will have rents that stay within the rent limit allowance prescribed by DED for the length of the affordability period.)*

Rent Limits

Rents charged for the "affordable" units may be up to the 65% limit as currently published by HUD in the HUD HOME Table found on NAHTF web page. Therefore, the gross monthly rent per unit (column F of Pro- Forma Unit Information Sheet) should not exceed the 65% line for the county the project is located in. The HUD table rent limits include the cost of utilities in the gross monthly rent column. Therefore, if tenant pays for utilities, applicant will put the tenant paid utility amount in Column G and the net monthly rent per unit will be automatically calculated by subtracting utility allowance from the gross rent per unit. If the applicant does not know the average utility costs expected for their units, NDED recommends applicants use the utility cost allowances established by the housing authority for the area the project is located in as a guide.

Link to the HOME Rent limits table: https://www.hudexchange.info/programs/home/home-rent-limits/.

When making decisions on the amount of rent to be charged NDED recommends reviewing the market area of the project and what is common for the area. Sometimes the maximum rent limit allowed is higher than what the project demographics can afford. Applicant should be able to support the decision made for amount of rent being charged for NAHTF funded affordable units.

9.7 Terms of Acceptance (Form 05)

Terms of Acceptance is where applicant will enter an electronic signature from an individual attesting to being duly authorized to submit the NAHTF application. There is a reminder to download the application for the applicant files. If a third-party preparer is submitting on behalf of the applicant, DED has the expectation that applicants will review the application prior to submission as they will be the entity responsible for compliance if awarded.

9.8 Creating the NAHTF Budget

When building the project budget the summation of NAHTF funded primary activities plus NAHTF-funded support activities must remain at or below the maximum of $750,000. Cash Match may be offered to any of the <u>NAHTF funded</u> primary or support activities.

Important: Please review these tips for building the project budget:
o <u>**Use rounded numbers for budget creation.**</u>
o Do <u>not</u> put cash match funding into non-NAHTF funded activities.
o Do <u>not</u> put cash match funding into administrative activities.
o Do <u>NOT</u> use the line labeled "*Additional Budget Line Item*" unless instructed to do so by a DED housing program representative as it is reserved for special circumstances.

The sum of a request for NAHTF funded primary plus support activities is referred to as Total Project Costs (TPC) for this application. In other words, for the NAHTF application budget the applicant is defining how much they are <u>requesting from NAHTF</u>, and not necessarily how much total investment is going into the project. Total investment is referred to as Total Development Cost and is shown on the project's development pro-forma.

Note: Eligible project costs can only be expended <u>after</u> receiving a Notice of Release of Funds.

Upon entering the Budget section (green circle labeled "Budget") the applicant will need to click the green "**+**" next to an activity category that is requesting NAHTF funding. A pop-up will appear. Instructions for filling out the budget lines will be included in the pop-up. Follow the instructions for entering the amount of NAHTF and the amount of Cash Match, if any, to each activity. This will be repeated for each activity that the applicant is requesting NAHTF funding to support.   For more details go to the Budget User Guide or the NAHTF Application User guide found in AmpliFund DED Grants Help Center.

Application Tips:
- NAHTF request for budget line items must not exceed maximums allowed.
- NAHTF program does not track in-kind financing resources in the NAHTF application budget or contract.

Tips for Creating the NAHTF Budget
- **Only select activities that NAHTF will be supporting.**
- **Item Type –** This may remain as Non-Personnel for all activities
- **Name** – Enter the Category Name. (Category and Activity Name are the same.)
- **Direct Cost** – Enter sum of NAHTF request **plus Cash Match**, if any.
- **Non-Grant Funded –** Answer "yes" if Cash Match is being applied to the activity.
- **Grant Funded –** Amount of NAHTF being requested for that activity. It will auto-calculate to subtract amount of Cash Match (if any) from Direct Cost.
- **Cash Match –** Enter amount, if applicable.
- **Total Budgeted** is auto-calculated to equal Grant Funded plus Cash Match.

If awarded, recipients are required to manage their financial resources in accordance with state laws and procedures for expending and accounting for the state's own funds. DED has established a financial management framework that allows for the appropriate recording and reporting of the receipt and expenditures of a State-funded project. Recipients are required to maintain effective internal control over the State award and agree to comply with statutes, regulations, and terms and conditions of the DED contract agreement.

10 Nonprofit Technical Assistance Application

Nonprofit Technical Assistance awards will support eligible nonprofit, community, or neighborhood-based organizations by providing financial resources to increase an organization's capacity for creating affordable housing programs and their application should demonstrate how this will be accomplished.

Pre-Application for Technical Assistance Application

A pre-application must be submitted. Attachments required for pre-application include the following:
- Federal Tax-exempt IRS Determination Letter
- Milestone Plan, if applicable

Application for Technical Assistance Application

Project Information

Important: **Name your application correctly in Project Information Section!** Refer to *Section 8.3 Naming Application*. The following fields are completed in this section:
- Application Name
- Award Requested
- Cash Match Contributions
- Primary Contact Information

The primary contact must be on staff with the applicant. This individual will receive the notification that application has been submitted. The application preparer may check the status of the application submission status by logging into the applicant's portal.

Applicant, Preparer, and Local Contact Information (Form 01)

Follow instructions within the application and answer all applicable fields.

Service Area- Make selection in only one of the fields, either county or community. Select all applicable counties when every community in that county will be served. If only certain communities will be served, use the community selection box instead to select all communities to be served by the project.

Hint – Typically a Technical Assistance project will use the county selection box and impact all communities in the counties they serve.

Project Activities (Form 02)

The following are eligible activities available for selection in the Technical Assistance application. More than one may be selected to request funding for:
- **Salary support for a new hire filling a newly created position.**
  - Typical expenses: salary support for the new hire for duration of contract.
- **New Office Equipment, Software and Office/Workplace Improvements**
  - Typical expenses: computers, printers, ink, software and licensing fees, new office rent (for duration of contract), costs for office/workplace improvements, such as new classroom furniture, updated technology systems, signage, etc.
- **Strategic Planning**
  - Typical expenses: consultant fees, venue rental, materials, printing, supplies, staff time for execution, etc.
- **Housing Study Funding**

- Typical expenses: consultant fees, materials, printing, staff time for execution, etc.
- **Staff Training/Education specific to Housing Development**
  - Typical expenses: course registration/fees; travel, lodging, mileage, wages while attending, meals (when accompanied by detailed receipts).
- **Other:** Applicants may propose a capacity building activity not listed above that can be demonstrated to increase an organization's capacity to create affordable housing. Applicants choosing "Other" should review their project plan with a housing program representative prior to submitting an application to be sure it fits eligibility for a Technical Assistance award.

Notes:
- Technical Assistance awards will <u>not</u> reimburse salaries of existing staff for the ordinary and typical fulfillment of their role except when approved for identified goal.
- Some goals may have typical expenses that include staff time to execute. Eligible costs may include both new and existing staff hours when approved and tracked for a specific goal. DED contracts will identify within the contract's Performance Goals the eligible reimbursable expenses including salary reimbursement, if applicable.
- If requesting support for a new hire's salary, applicant should explain plan for sustaining the new position after end of contract within the *Impact, Sustainability and Collaboration* section.
- If requesting support for office rent, applicant will need to explain plan for covering rent expense after end of contract within the *Impact, Sustainability and Collaboration* section.
- Food and drink for meetings are ineligible expenses, except for those related to travel.
- Honorariums (gifts/prizes) are ineligible expense.
- Projects involving construction or rehabilitation of office space and/or housing units are <u>not</u> eligible expenses for Technical Assistance projects.

Project Design (Form 02)
Project Description Summary
Provide a Project Description Summary. This narrative will provide a snapshot view of the project and give reviewers a clear understanding of project scope and amounts of NAHTF requested for activities. Answers may include, but are not limited to, the items listed below. There are no character limits.
- Description of the overall objective(s) to be achieved with NAHTF funding
- Amount of NAHTF being requested to accomplish the objectives
- Amount of match being committed by applicant, if any
- Amount of leverage being committed from other funding resources, if any
- Potential impact of project on organization and service area

Other funding sources (leverage) can include the organization's operating funds, special project funds, non-DED administered grants, etc.

Organization Description Summary
Provide a description of your organization and include information that demonstrates capacity and strength for administering a NAHTF award. This is an opportunity to speak to the unique nature of your organization and why NAHTF is needed to carry out the activities requested. Answers may include, but are not limited to, the items listed below. There are no set character limits.
- Organization Mission Statement
- Brief Organization History
- Organizational Structure and Priorities
- Description of public and private revenue sources available for general operations
- Staff Names, Roles and Experience
- Geographic Area of Influence
- Describe why NAHTF is needed as a resource to accomplish the activities selected

Performance Plan Goals

The Performance Plan consists of goals the project will achieve with NAHTF funding if awarded. Each Performance Plan goal should align with a project activity selected and should demonstrate how the funds will be used if awarded. Goals should be specific, measurable, and associated with corresponding costs.

Space is provided for seven goals. Applicant may complete as many goals as needed to address the activities selected. Keep goals concise, measurable and aligned with an activity requesting NAHTF funding.

Each goal consists of a name, estimated cost, and a description of the goal. The goal name should clearly reflect the selected activity it is helping to accomplish. Recipient will describe the typical expenses related to each goal. Applicant should refer to the typical expenses listed for each eligible activity found within the project activities section above to assist with completing the typical expenses. Typical expenses may be, but are not limited to, staff time, registration fees, supplies, consultant fees, mileage, etc.

Following the entry of goals, the applicant will enter the total project cost. This should be the sum of all costs listed in the performance goals section that will be funded by all sources identified. *If only NAHTF is being used as a funding source then these costs will equal the NAHTF requested Amount.*

If awarded, the awardee and the housing program representative will review the goals together. DED may choose to award some goals and not others and may need to suggest additional goals for attaining the objectives. **Performance Plan goals will be included in the DED contract as Appendix A.**

Impact, Sustainability, and Collaboration (Form 02)

Describe how successful completion of this project will assist the organization in having a greater impact on creating new housing units and/or improving existing housing stock in the future.

Does this project create a new long-term financial need, i.e., new salary, new location, rent, etc, to be budgeted for in the future? If so, explain how these activities will be sustained in the future.

Explain ways in which the organization interacts with the area it serves, level of support received from the community and how this impacts the organization's sustainability.

Will applicant need to re-apply for future NAHTF Technical Assistance funds to continue this application's project goals in future cycles?

Financial Management (Form 02)

If awarded, recipients are required to manage their financial resources in accordance with state laws and procedures for expending and accounting for the State's own funds. DED has established a financial management framework that allows for the appropriate recording and reporting of the receipt and expenditures of a State-funded project. Recipients are required to maintain effective internal control over the State award and agree to comply with statutes,

regulations, and terms and conditions of the DED contract agreement.

The applicant is asked to describe the organization's policies and processes for internal controls and financial management. Such internal controls include basic oversight process for procurement and bill payment processing, process of approving financial documents, etc. This can be a very basic summary to provide reviewers general knowledge for how the organization handles fiscal responsibility.

Applicant will upload the following financial documentation:
- Most Recent Balance Sheet (Board Approved or Approved by Authorized Individual)
- Income and Expense Statement (Recent Fiscal Year and Board Approved or Approved by Authorized Individual)

Note: If financials are not board certified in time for application submission, the application preparer is certifying by uploading that the authorized individual named earlier in this application has reviewed the "unapproved" uploaded financial documents and has approved their submission for use in this application.

Leverage and Cash Match (Form 02)

Match and Leverage are not scoring criteria for the Technical Assistance application, nor are they a requirement for receiving an award. However, both may be taken into consideration as one factor out of many when reviewing the application.

Applicant will enter the total amount of leverage. This is other sources used and does <u>not</u> include cash match committed to the project. Applicant will briefly describe the source(s) of the leverage amount entered.

Applicants providing match will download the Match Documentation form from the NAHTF web page and complete it on the applicant's organization letterhead. The document must be signed by the authorized individual named in the application and uploaded to the application. *For Details see Section 7 Cash Match and Leverage Details.*

Budget Creation (Technical Assistance Application)
There is only one budget line for the Technical Assistance Award. Applicant shall name the one budget line "Technical Assistance." The one budget line should include only the NAHTF requested amount and the amount of match, if any. See *Section 9.9 Creating the NAHTF Budget*. For additional assistance go to the Budget User Guide in AmpliFund DED Grants Help Center or the AmpliFund Application User Guide.

11 Application Resources

The Department will be providing pre-recorded workshops for both the pre-application and full application as well as scheduled open office hours. Dates and times are found on the Funding Cycle Timeline, page 4 of this document. Terms and definitions useful to the applicant are provided in the appendix of these application guidelines. Applicants may also contact their DED housing program representative and are encouraged to do so early in the application planning process if they have project specific questions. Staff coverage areas and contact information is found on the NAHTF web page in box titled *Contact DED Housing*. The web page link: https://opportunity.nebraska.gov/programs/housing/nahtf/.

11.1 Pre-Recorded Application Workshops

Links will be provided to pre-recorded workshops on the NAHTF web page under *2024 NAHTF Recorded Workshops*. Applicants should view available recordings before submitting questions to housing representatives and prior to joining any open office hours. Refer to the 2024 NAHTF timeline on page 4 for dates and times these resources will be made available.

11.2 Open Office Hours for NAHTF Applicants

Applicants and application preparers are invited to attend open office hours (dates and times found on timeline, page 4). Participants should have viewed available workshops prior to joining an open office hour session.

These sessions provide an opportunity for applicants to ask application related questions and to obtain additional clarification regarding the application process and application guidelines. Applicants should seek technical assistance from a program housing representative with project specific questions. Registration links for open office hours will be posted at this link: https://opportunity.nebraska.gov/training/.

11.3 NAHTF Question and Answer Link

Applicants will be able to submit application questions by accessing a link on the NAHTF web page. Staff will post the questions and answers to a dedicated page periodically throughout the application period. Applicants may access the page through the same link by scrolling down to see posted Q & A. Applicants are also encouraged to contact a housing program representative for assistance at any time during the application process.

11.4 Application Uploads

All required documents must be uploaded into the application in order for the application to be considered complete. Pro Formas must be uploaded in **Excel** format or they may be rejected.

Forms with an asterisk (*) can be downloaded from the NAHTF web page section titled Application Guidelines. https://opportunity.nebraska.gov/programs/housing/nahtf/.

Technical Assistance Application Uploads
Housing Milestone Plan, if applicable (*upload to Pre-Application only*)
Federal IRS Letter of Determination tax-exempt letter for 501(c)(3) or 501(c)(4) applicants
Annual Income and Expense Statement-(*Recent Fiscal YR. & Approved by Authorized Individual or Board*)
Balance Sheet *(Most Recent and Approved by Authorized Individual or Governing Board)*
Match Documentation Form, *if applicable (On letterhead & signed in blue Ink)**

Housing Development Application Uploads
Housing Milestone Plan, *if applicable (upload to Pre-Application only)*
Federal IRS Letter of Determination Tax-exempt letter for 501(c)(3) or 501(c)(4) applicants
Development Pro Forma, *if applicable (rental projects have a **required** form for use)**
Match Documentation Form, *if applicable (on letterhead and signed in blue Ink)**
Program Guidelines Checklist (*completed*)*
Program Guidelines *(created for applicant's project)*
Site Review Form, *if applicable (must be signed by housing program representative)**

12 Application Review and Selection Process

The State's main objective for distributing NAHTF resources is to invest funds in quality projects and programs that help eligible applicants leverage private financing to create permanent, energy efficient, and affordable housing that addresses local needs. State resources are limited and there is an increasing demand for NAHTF award distribution, therefore applicants should review DED's priority scoring objectives. Below are listed DED's priority selection criteria objectives considered when evaluating applications:

- Alignment with 2024 NAHTF program priorities
- Presence of cash match
- Presence of leveraged funds
- Demonstration of intent to revolve NAHTF funds through use of loans, in part or in whole so repaid dollars may be used in future housing projects
- Level of local government support and participation
- Capacity and housing development experience of applicant
- History of timely use of NAHTF resources when applicant has been a previous recipient

At the conclusion of the application period, applications will be evaluated to determine if they meet minimum qualifications based on Threshold Review Questions and can be considered for review and scoring. Clarifying information may be requested of applicants. When providing clarifying information, applications themselves may not be changed and/or altered. Failure of the application to meet all of the threshold requirements (Threshold Questions) may result in the application not being scored or funded. Applications that fail Threshold Review will be encouraged to address deficiencies and apply in a subsequent cycle.

The Threshold Review Table can be found in the Appendix of these guidelines.

Applicants with applications that do not pass the initial Threshold Review will be notified within 60 days of application due date that their application will not be scored and will be given reason for the decision.

Once applicants pass the Threshold Review, applications will be reviewed and competitively scored using both objective and subjective scoring criteria. Applications requiring the submission of a pro forma packet will also undergo a pro forma evaluation as part of the scoring process. The applications will be scored and ranked. The Department will make best efforts to allocate not less than 30% of the NAHTF allocation to Congressional Districts 1, 2, and 3.

Applicants designated as 501(c)(3) or 501(c)(4) must upload their Federal Tax-exempt IRS Letter of Determination to both the pre-application and full application. Applicants *may* be asked prior to award to submit their most recent Form 990 to verify they were an active tax-exempt organization at time of application submission. *The Department uses Guidestar.org to verify active nonprofit status and Form 990 submissions. Applicants are encouraged to keep their Form 990 submissions up to date so as not to risk losing their nonprofit status.*

Projects that do not require site reviews, a pro forma, unit designs, cost estimates, etc. by nature of the project type will not have the same opportunity for points as project types requiring these items. This correlates with the fact that the Department has placed a high priority on the new creation of units for the 2024 NAHTF program cycle.   This may or may not be a factor in final award determination since final award funding is influenced by the number of applications, amount of funding available, mix of project types, and both objective and subjective factors.

All Applicants will be emailed a notice of award or a notice of non-select. Non-select applicants are encouraged to re-submit in a subsequent cycle. Due to the competitive nature of the program and the limited amount of funds available in state aid each program year, some projects may not be selected for award. To assist Applicants in improving their applications in future funding cycles, non-select Applicants may request a follow up meeting with a Housing Representative to discuss opportunities for improvements to their project and/or application for future funding cycles. The points awarded may be within the range stated in the table and are based on a variety of factors, including, but not limited to quality of answer, alignment with NAHTF priorities, etc. **Appendix contains a breakdown of Objective, Subjective and Pro Forma scoring factors.**

Housing Development Application Points Possible Table
See Appendix 16.5 for scoring breakdown.

Points Possible for Housing Development Applications Includes Subjective, Objective and Pro Forma Evaluations				
Project Types	**Total Points Possible**	**Objective Points Possible**	**Subjective Points Possible**	**Pro Forma Points Possible**
Homebuyer New Construction	**120**	57	55	8
Rental New Construction	**120**	57	55	8
Rental Conversion	**120**	57	55	8
Homebuyer Purchase/Rehab/Resale	**110**	47	55	8
Rental Rehabilitation	**110**	47	55	8
Homeowner-Occupied Rehabilitation	**110**	55	55	N/A
Homebuyer Assistance Only or w/Rehab	**90**	35	55	N/A

Technical Assistance Application Points Possible Table
See Appendix 16.5 for scoring breakdown.

Points Possible for Non-Profit Technical Assistance Applications	
Criteria	**Points Possible**
Project Design (up to 20 pts) Variable.	20
Organization and Project Team Capacity (up to 15 pts) Variable.	15
Project Readiness and Collaboration (up to 20) Variable.	20
Total Possible Points	**55**

Milestones

Applicants with open DED NAHTF awards must meet the milestones outlined in the table below by the due date of the pre-application (March 7, 2024). If these milestones are not met by March 7, 2024, the Applicant must provide a detailed plan within their pre-application outlining how previous NAHTF housing awards will be in compliance with the milestones by the date of full application (May 9, 2024). DED will consult with Applicants on a case-by-case basis if necessary. An open NAHTF award is any award that has not received a Certificate of Compliance from DED.

Applicants not meeting the milestones outlined in the table below by May 9, 2024, will not be eligible for funding in the 2024 NAHTF application cycle.

Milestone Table

NAHTF Program Year	Milestone
2020 and earlier	100% of funds drawn
2021	75% of funds drawn
2022	30% of funds drawn
2023	Must have received Notice of Release of Funds by May 9, 2024

13 Notice of Award

Following the review and scoring process, the Department will announce the NAHTF awards with a press release. Prior to the press release DED issues written Notices of Award (NOA) via email to recipients of an award. The NOA will outline the anticipated award amount. These funds will be reserved for the potential recipient until the award agreement (contract) is signed by both DED and the recipient or until such time it is determined that an award agreement cannot be entered into between recipient and DED.

13.1 Contract Review

Following DED's Notice of Award, Housing program representatives will meet with recipients. A Contract Review Agreement will be signed off on by all parties present at the review. The award agreement (contract) will then be created and issued to the recipient's authorized signer via DocuSign. *Approval of an application for award does not constitute incorporation of statements in the application that conflict with 2024 NAHTF Application Guidelines or the contract if awarded.*

The authorized signer may download a copy of the contract for review by the recipient's governing body. The authorized signer must review, sign, date, and return the agreement via DocuSign to accept the NAHTF award. DED signs the contract after it is signed by the authorized signer. Once all parties have signed the agreement, the award account will be activated, and recipients will follow specific instructions emailed with how to access the award in AmpliFund. Recipients will be asked to complete the **Recipient Grant Manager** field on the details page of the award's AmpliFund account. Recipients are also required to provide the State of Nebraska W-9 and ACH Enrollment Form via AmpliFund.

Once the award account is activated, the recipient can complete required Special Conditions items as listed in contract. When recipient has satisfactorily completed all Special Conditions, a **Notice of Release of Funds will be issued** via email. Primary and support activity costs can begin to be incurred for the project, along with all administrative costs, only after the Notice of Release of Funds has been received.

13.2 Special Conditions

Following execution of DED contract the recipient enters the Special Conditions phase of project. Funding will not occur until the Special Conditions listed in contract are met. Once all uploads are completed DED will review and approve within 30 days. Below are the typical Special Conditions items listed by project type. Recipient's DED contracts should be consulted.

Homebuyer Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds *(signed in blue ink)*
- Fair Housing Activity*
- Program Guidelines

- Program Guidelines Checklist
- Pro Forma, if applicable
- Lease-to-Own Transition Plan, if applicable
- ACH/W-9 completed within AmpliFund

If New Construction project:
- Nebraska Department of Environment & Energy (NDEE) Verification of Review
- Site Review approved by DED

Rental Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds
- Fair Housing Activity
- Program Guidelines
- Program Guidelines Checklist
- Pro Forma (Use DED Approved Rental Project Pro Forma template)
- Proposed Cash Flow Distribution Plan
- Proposed Agreement for Governing Reserves
- Tenant Selection Process
- Proposed Lease Agreement
- Recorded security agreement with a covenant for the project property prior to release of funds, for projects where DED Recipient is not the owner of the rental property.
- ACH/W-9 completed within AmpliFund

If Rental New Construction or Conversion (when renovation alters value by 50% or more):
- Nebraska Department of Environment & Energy (NDEE) Verification of Review
- Site Review approved by DED (also required for rental rehabilitation)

The following are applicable if rental project has a rent-to-own option that will be exercised within the affordability period:
- Transition Plan
- Net Sales Proceeds Plan
- Homebuyer Program Guidelines

Homeowner (OOR) Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds *(signed in blue ink)*
- Fair Housing Activity
- Program Guidelines
- Program Guidelines Checklist
- ACH/W-9 completed within AmpliFund

Technical Assistance Project Special Conditions
- NAHTF Program Grantee Information Sheet
- Authorization to Request Funds
- Fair Housing Activity*
- ACH/W-9 completed within AmpliFund

Note: The Fair Housing Activity described for Special Conditions must be unique from actions stated in fulfillment of this special conditions item in previous awards so as to ensure diverse Fair Housing activities are being conducted and information is reaching new audiences with each DED award an applicant is administrating.

The requirement to submit documentation demonstrating the action that was actually taken does not need to be submitted within the time frame for completion of the special conditions, but such documentation must be submitted as an upload to the original Special Conditions item prior to closing of the award.

13.3 Award Disbursement

NAHTF awards will be disbursed on a reimbursement basis using AmpliFund. Award reimbursements are also called payment requests. No project costs can be expended prior to recipient receiving a Notice of Release of Funds (ROF). Though a limited amount of General Administration costs may be incurred prior to ROF (and after NOA), no reimbursements will be made until ROF is achieved.

To receive reimbursement, the recipient must create one expense for each supporting document. Support Documentation (invoice) must be attached to each expense. Proof of payment must also be included as an attachment with each expense. Expenses will be tracked against the recipient's budget line items. The recipient will submit a payment request to DED for the date range covering expenses being sought for reimbursement. Reimbursements should begin within 30 days following ROF and may be submitted monthly and no less than once every 3 months.

DED may reject the payment request and require resubmission if the source documentation or proof of payment is incomplete, funds are requested for ineligible costs, or other issues are identified. Upon DED's approval of payment requests, DED will disburse funds on a reimbursement basis up to the amount detailed in the reimbursement documentation. An email from the AmpliFund Administrator will give notice to the Recipient Grant Manager that DED has approved or denied the request for payment.

Funds are transferred electronically to the account designated on the State of Nebraska ACH Enrollment Form. The email address recipient provides on the State of Nebraska ACH Enrollment Form will be notified once the payment has been processed. Recipients can find detailed instructions for how to submit payment requests in the DED Grants Help Center. Payment of the reimbursement is subject to recipient's submission of supporting documentation and proof of payments for review and approval by DED.

"Source Documentation" includes receipts, invoices, timesheets, etc., with sufficient information to demonstrate the amount of the cost and the allowability, applicability, and reasonableness of the cost.

"Proof of Payment" means canceled checks, bank statement, confirmation of wire or automated clearing house transfer, or similar documentation which provides substantiating evidence that payment has been made as claimed.

All payment requests for awarded NAHTF must be submitted to the Department within the contract period. All NAHTF not requested within this time period may be de-obligated from the contract by the Department.

14 Post Award Management & Implementation

Housing Development projects shall have program guidelines established for their project as part of the application process. The project's program guidelines are the foundational document for the project and must include DED requirements as outlined in the Program Guidelines Checklist (found on NAHTF web page). The below items are common to DED contracts and applicants should familiarize themselves with these requirements prior to application.

14.1 Determining Income Eligibility of Beneficiaries

Recipients of NAHTF will use the same guidance as HUD HOME programs to determine income eligibility for potential beneficiaries of a program awarded NAHTF funding. NAHTF follows the HUD HOME Income Limits which are posted on the NAHTF web page and on the HUD link provided below. When assistance is needed in using their income eligibility tools the HUD Exchange provides online training and support. Recipient organizations will need to create their own account at the link provided in order to use the income eligibility calculator. https://www.hudexchange.info/incomecalculator/

A written resource that recipients may find helpful is *The Technical Guide for Determining Income and Allowances* for the HOME Program. This provides an explanation and examples of computing annual income, and sample income verification forms for use on verifying annual income of tenants (also a requirement of NAHTF program). It reviews general requirements for determining and calculating income in order to determine HOME Program eligibility (same eligibility requirements are used for NAHTF); provides an overview of the three allowable definitions of income; and reviews how to determine income using each of the three definitions. https://files.hudexchange.info/resources/documents/HOMEGuideForIncomeAndAllowances.pdf

14.2 Affordability Restrictions

The NAHTF funds awarded must be repaid by the recipient if the project does not meet the affordability requirements of the program and of the contract throughout the entire period of affordability listed in the *Table of Project Requirements* on the contract. Below are the affordability restrictions described by project type.

Homebuyer Projects
The affordability requirements relate to the eligibility requirements (including the income eligibility, ownership of the property eligibility, and the occupancy as the principal residence of the homebuyer requirement) which must be enforced throughout the affordability period by the recipient.

The recipient must enforce the eligibility and affordability requirements through the imposition of liens, deed restrictions, covenants, recapture requirements, resale restrictions, or any combination of such legal instruments as required under the project's program guidelines or as prescribed by the Department. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the homebuyer and any successors in title to the applicable project real estate and upon their heirs, legal representatives, successors, or assigns.

Beginning on the date of unit completion and subsequent sale to an eligible homebuyer, each Trust Fund-assisted unit must remain the principal residence of the homebuyer throughout the

affordability period established in Recital C of contract. If the home does not continue to be the principal residence of the original homebuyer for the duration of the period of affordability, then resale restrictions or recapture provisions will be followed. After project completion occurs, the affordability period for that unit typically begins once the unit has been sold to an eligible homebuyer.

Rental Projects

The affordability requirements relate to the occupancy (tenant income eligibility) and the cost of housing (rent limitations) at initial occupancy and over established timeframes (period of affordability). In general, the project must be occupied by income-eligible households and is subject to rent limitations throughout the affordability period.

The recipient must enforce the occupancy-eligibility and rent limitation requirements through the imposition of liens, deed restrictions, land use restriction agreements, covenants, or any combination of such legal instruments as required under the project's program guidelines or as prescribed by the Department. Any time during the Time of Performance of the contract and during the period of affordability, the Department may require documentation verifying the existence of and the proper recordation of the legal instrument used by the recipient to enforce the eligibility and affordability requirements. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the owner and any successors in title to the applicable project's real estate and upon their heirs, legal representatives, successors, or assigns.

Cost allocation to determine the number of required NAHTF "affordable rent" units for rental projects is finalized by the Department prior to contract execution with awarded recipients.
The NAHTF "affordable rent" units must remain affordable for the affordability period established in Recital C of the contract. Project completion occurs, and the affordability period typically begins, when 100% lease-up is achieved of ALL units in the project. The Certificate of Completion letter for the project will be the official record that defines project completion and the affordability period for rental units. *Note: Rental rehabilitation projects with existing tenants may have special circumstances for determining the start of the affordability period and DED shall be consulted to make a determination.*

Homeowner Projects

The affordability requirements relate to the ownership of the property and the occupancy as the principal residence which must be enforced throughout the affordability period by the Recipient.

The recipient must enforce the eligibility and affordability requirements through the imposition of liens, deed restrictions, covenants, recapture requirements, resale restrictions, or any combination of such legal instruments as required under the project's program guidelines or as prescribed by the Department. At any time during the Time of Performance of the contract and during the period of affordability, the Department may require documentation verifying the existence of and the proper recordation of the legal instrument used by the recipient to enforce the eligibility and affordability requirements. The legal instrument used must "touch and concern" the land, "burden and benefit" the respective parties, and "run with the land" so as to be binding upon the homeowner and any successors in title to the applicable project real estate and upon their heirs, legal representatives, successors, or assigns.

Beginning on the date determined for project completion, the NAHTF-assisted units must remain

the principal residence of the homeowner throughout the affordability period established in Recital C of the contract. If a housing unit does not continue to be the principal residence of the original homeowner for the duration of the period of affordability, resale restriction or recapture provisions will be followed per contract.

Technical Assistance Projects

Technical Assistance contracts are not subject to an affordability period. They are a two-year contract with all obligations ending after monitoring and close-out.

14.3 Monitoring Duties of Recipient

During the period of affordability, the recipient will undertake, be responsible for, and complete all monitoring activities required by the Department and must maintain documentation of such monitoring activities on a current basis and for five (5) years after the period of affordability. Monitoring responsibilities are dependent on project type and are related to the eligibility and occupancy requirements. Rental projects also include monitoring of rent limits. The Department may at any time request proof of monitoring.

14.4 Insurance

The recipient agrees to provide insurance coverage for real property acquired or improved with Trust Funds that is, at a minimum, equivalent to the insurance that the recipient provides for its other property or agrees to ensure that such insurance coverage is provided by the owner of the real property.

14.5 Accounting for Trust Funds by the Recipient

A separate bank account for the Trust Funds is not required; however, the Trust Funds must be accounted for separately in the books and records of the Recipient in such a manner as **to allow funds tracing and a current status review of the Trust Funds at all times. One exception is when NAHTF is funding Rental Project Reserves. Refer to Section 3.3 for guidance.** Upon request, the recipient must provide evidence to the Department that other sources of funding for the project have been contributed pursuant to the application and the *Sources and Uses of Funds Table* contained in the contract.

The recipient must keep all records concerning the Trust Funds in a manner which is consistent with generally accepted accounting principles. Payment requests for reimbursement will require both source documentation and proof of payment. Source documentation includes, but is not limited to, contracts, invoices, brochures, and other data, as appropriate, evidencing the necessity for such expenditures. Proof of payment of expended funds will be shown in the form of cancelled checks, bank statements, evidence of wire transfer or electronic payment, or any other accepted means of proving proof of payment from recipient to vendor or employee.

Proof of payment must be clearly documented to allow for easy tracking back to invoices. The Department reserves the right to reject payment requests for inadequate source documentation including inadequate proof of payment documentation.

14.6 Records and Record Retention Requirements

When applicable to the project, recipients must maintain documentation of monitoring activities on a current basis and for five (5) years after the period of affordability ends. In addition, the recipient will keep other general records concerning the project that the Department may require

for five (5) years after the Department issues a Certificate of Completion letter to the recipient.

If any claim, litigation, or audit is started before the expiration of the record retention periods, the records must be retained until all claims, litigation, or audit findings involving the records have been resolved.

14.7 Access to and Inspection of Records; Performance Reviews; Reports

The Department and any duly authorized officials of the state will have full access to and the right to examine, audit, excerpt, and transcribe any and all of the recipient's records pertaining to the project.

The Department may conduct performance review monitoring visits and may audit the recipient's records, including records that pertain to the required matching contribution, for compliance. In addition, a cost certification audit may either be conducted by the Department or requested by the Department to be done by independent accountants at the recipient's expense.

Within ninety (90) days following completion of the project and final disbursement of the Trust Funds, the recipient shall provide to the Department, in a format as prescribed, a Beneficiary Per Unit Report, a Final Financial Report, and documentation of completion of Fair Housing action as prescribed during Special Conditions.

Other reports may be required prior to receiving a Certificate of Completion and may include but are not limited to Certification of Compliance with Nebraska Department of Environment & Energy (applies to new construction and when applicable, to rental conversion projects).

14.8 Conflicts of Interest

No officer, employee, or agent of the recipient will participate in the selection, or the award or administration of a contract supported by Trust Funds if a conflict of interest, real or perceived, would be involved. Such a conflict would arise when the officer, employee, or agent; any member of the immediate family of the officer, employee, or agent; any partner of the officer, employee, or agent; or any organization which employs or is about to employ any of the above has a financial or other interest in the firm selected for award.

The recipient's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements during office tenure or for one year after the closeout of the project. *This stipulation must be included in all other contracts and subcontracts related to the project.*

In the event a prohibited conflict of interest arises, the recipient must inform the Department. Upon written request, exceptions may be granted by the Department on a case-by-case basis when it is determined that such an exception will serve to further the purposes of the program.

14.9 Applicability to Contractors and Subcontractors; Other Requirements

Provisions listed in contract with DED will be made binding on any contractor or subcontractor of the recipient, and the recipient will, nonetheless, remain fully obligated under the provisions of the DED contract. Any such contractor or subcontractor of the recipient must be authorized to transact business in the State of Nebraska. All contractors and subcontractors are expected to comply with all Nebraska Secretary of State and Department of Revenue registration requirements, including any registration requirements pertaining to types of business entities (e.g., person,

partnership, foreign/domestic limited liability company, association, or foreign/domestic corporation). Construction contractors are expected to meet all applicable requirements of the Nebraska Contractor Registration Act and provide a current, valid certificate of registration to the recipient for recipient's records.

Upon request, the recipient must submit copies of written agreements executed between the recipient and developers, contractors or subcontractors related to the project.

15 User Guides and Customer Support

To administer this program, DED uses a GMS known as AmpliFund. Applications will be submitted, and awards will be managed through the GMS. User Guides, with detailed instructions for accessing and using the application portal, and other resources are available on DED's website. The help portal is organized by topic. You can enter key words into the search bar to find specific articles. *Tip: Bookmark the DED Grants Help Center page on your computer browser for easy referral.*

NAHTF specific pre-recorded workshops and open office hours will also be made available to Applicants. See Funding Cycle Timeline on Page 4 for dates and times. **Applicants are expected to view the pre-recorded workshops prior to participating in the open office hours.**

15.1 Application User Guides

NAHTF: Application User Guide will assist with how to apply and navigate through the application in the AmpliFund system.
For instructions on registering for an AmpliFund account, please see **User Management** (https://dednebraska.zendesk.com/hc/en-us/categories/7865709789851-User-Management).

15.2 Award User Guide

If awarded, use the following instructions on managing your award:
Getting Started with your Award (https://dednebraska.zendesk.com/hc/en-us/categories/7865773985307-Getting-)

15.3 AmpliFund Customer Support

If you need help using the GMS to apply or manage your award, you can reach out to customer support in three different ways:

1. Call toll-free 1 (844) 735-0239
   • Available from 7:00am-7:00pm CDT
2. Online chat
   • Available from 8:00am-4:00pm CDT
3. Email support@ne-amplifund.zendesk.com

16 APPENDIX

16.1 AmpliFund Customer Support

Additional NAHTF Funding Cycle

DED may elect to open an additional funding cycle, such as a Demonstration Program, in the event that NAHTF funds are not fully allocated in the Housing Development and Technical Assistance Application funding cycle, and in order to utilize discretionary funds, or any additional NAHTF funds. In the event an additional funding cycle is authorized, appropriate notification will be given, and application forms or process will be provided.

For the latest information on all DED administered housing programs and investment funds see **https://opportunity.nebraska.gov/programs/housing/.**

16.2 Terms and Definitions

Terms and definitions are provided in **alphabetical order** below.

Affordability Period - The number of years a project is required by contract to keep units affordable, available and/or the principal residence of beneficiaries in the targeted AMI.

Affordability Subsidy - This is a subsidy used to fill the funding gap created when there is a difference between the appraised or Fair Market Value of a newly constructed unit and what the house actually sells to the homebuyer for. (This is a form of direct homebuyer assistance, but it is not the same as down payment or closing cost assistance). An Affordability Subsidy must be protected through either a resale provisions (secured by a covenant) or using recapture provisions (secured by a lien).

Construction Contingency - Amount set aside in the Development Cost Budget of the Pro-Forma to cover construction/rehab cost over-runs and unforeseen but necessary expenses. Typical amount is under 10%. FYI: On Rental Projects – this budget item is not included in calculations used by DED for allocating the number of units to remain affordable throughout the affordability period. *Note: All units in homebuyer and homeowner projects that are completed during open contract are claimed as NAHTF-assisted units and are subject to the affordability period.*

Development Subsidy - This is a subsidy used to fill the funding gap created when there is a difference between the cost to build and the appraised or Fair Market Value of the newly constructed unit. A Development Subsidy is provided to the developer. For example, a house costs $250,000 to build, but only appraises at $200,000, the Development Subsidy needed to fill the gap is $50,000. The Development Subsidy is not secured. It is seen as that amount of NAHTF funding "left in the unit" and not recaptured from sale of the unit to an eligible homebuyer. If the entire cost to build or rehabilitate a unit is recaptured through the sale of the unit then there is no development subsidy. The recaptured amount is used for subsequent units during open contract period and becomes unrestricted after contract has ended.

Fair Housing Activity - The recipient must complete a NAHTF Fair Housing form within the AmpliFund grant management system identifying the project's fair housing representative's name

and contact information. The recipient must submit a description of the action it will take during the course of the project to fulfill any requirements to affirmatively further fair housing. Following the completion of such action, the recipient must also submit documentation demonstrating the action that was actually taken, including the details of such action (e.g., when the action occurred, who participated, who benefitted, etc.).

The Fair Housing activity described must be unique from actions stated in fulfillment of this special conditions item in previous NAHTF awards so as to ensure diverse Fair Housing activities are being conducted and information is reaching new audiences with each NAHTF award an applicant is administrating.

The requirement to submit documentation demonstrating the action that was actually taken needs not be submitted within the time frame for completion of the special conditions, but such documentation must be submitted prior to closing of the award.

Holding Costs - Holding costs are Housing Management expenses generally associated with homebuyer new construction and PRR projects. Holding costs are costs an applicant incurs while <u>owning</u> a property prior to selling to an eligible homebuyer. Typical holding cost expenses are mowing, taxes, insurance, and utility bills that take place prior to either the sale of the unit to an eligible homebuyer. These costs should <u>not</u> be billed under NAHTF new construction or rehabilitation activities. Contact a housing program representative if unsure whether a cost is eligible under Housing Management.

Homebuyer Assistance Subsidy - Homebuyer Assistance is the term DED uses for financial assistance to homebuyers in the form of down payment and/or closing costs. It is offered as a subsidy or a loan (may be deferred-payment loan) provided to the homebuyer at time of closing. DED allows for up to 20% of the home's Sale Price per unit to be budgeted in this category. This assistance must be protected through either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien) for the length of the Affordability Period as stated in the DED contract. For example, a household at 120% of the Area Median Income is purchasing a newly constructed house for $175,000 and they need 20% of the purchase price ($175,000 x 20% = $35,000) to be able to close on their loan. The homebuyer has $5,000 in their own cash to apply at closing, therefore $30,000 in NAHTF funded Homebuyer Assistance is provided to the Homebuyer at closing.

Leverage – For purposes of this application, Leverage is considered any non-NAHTF funding sources (other than cash match) used during the <u>open contract period</u> to finance project <u>hard costs</u> in the primary and support activities. These resources **are in addition to** any cash match and are not listed in the contract of an awarded project but are captured on the Leverage Table in the application. Leverage project financing may include owner equity, bank financing, private investment, or other public funds that are not part of a committed match amount. See Section 7 for more details including what <u>not</u> to enter into the Leverage Table.

The applicant will fill out the Leverage Table and will include the source, the amount and the general use (activity) it is supporting, i.e., new construction, down payment assistance, rehabilitation, acquisition, engineering, planning & designs, etc. Applicant does <u>not</u> include the Cash Match contribution on the leverage table.

Mobile Home – A mobile home as defined by the Department is a movable or portable dwelling

constructed to be towed on its own permanent chassis or hitch, connected to utilities, and designed with or without a permanent foundation for year-round living. Mobile homes and trailers are not eligible to receive NAHTF funding.

Modular Home - Modular homes are eligible for NAHTF funding. A modular home is built in sections in a factory to meet state, local or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site. At the time of project completion, the modular housing unit must be connected to permanent utility hook-ups and must be located on land that is owned by the modular housing unit owner or DED approved land trust. A modular home must also bear a label certifying that it was built in compliance with National Manufactured Home Construction and Safety Standards, 24 C.F.R. 3280 et seq., promulgated by the United States Department of Housing and Urban Development, and is taxed as real property. For more information on mobile and modular home definitions see: https://www.ecfr.gov/current/title- 24/subtitle-B/chapter-XX/part-3280/subpart-A/section-3280.2#p-3280.2(Manufactured%20home).

Note: Construction, architectural, and/or engineering documents that do not bear the seal of a State of Nebraska licensed architect or professional engineer may be in violation of state law. Contact the Nebraska Board of Engineers and Architects for requirements at (402) 471-2021; ea.nebraska.gov or nbea.office@nebraska.gov.

Recapture Provision – Recapture provisions are enacted when there is non-conformance of eligibility, occupancy, and/or affordability requirements and ensures the recouping of Trust Funds. Recapture is a choice declared in homebuyer contracts. (The term "recapture" may also be used to describe loan repayments for NAHTF assistance and sales proceeds received from the sale of a NAHTF-assisted unit, whether during open contract period or after.)

Resale Provision- Resale provision is a choice declared in homebuyer contracts that says DED recipient will ensure the housing unit is made available for subsequent sale only to a program eligible homebuyer and that such homebuyer will use the property as their principal residence throughout any remaining period of affordability. This provision uses a covenant on the title to ensure that future sale of the home is to an eligible LMI household. This can have an effect of burdening the sale in the future whereby use of the recapture provision allows for a home to be sold without restriction and proceeds will be used to pay back the affordability subsidy, if any, or direct homebuyer assistance per any contract stipulations.

Recipient Grant Manager – This is an individual identified on the Award Details page of the award account and will be considered by DED as the first point of contact to use when sending correspondence regarding the award. The Recipient Grant Manager will typically receive all automated AmpliFund Notifications. This person may or may not be a person identified in the application. Therefore, recipients are asked to input the name of the Recipient Grant Manager into the account prior to receiving Release of Funds. *See 15.2 Award User Guides: Getting Started with your Award.*

Sales Proceeds - The amount received for sale of home in a homebuyer project. Proceeds may recover all or a portion of the NAHTF funds used for construction/rehab costs. During open contract, proceeds must be used to fund subsequent construction/rehabilitation activities. The portion of NAHTF funding not recovered by sale proceeds remains as a development subsidy in the unit. (See definition of Development Subsidy.)

Total Project Cost (TPC) - The Total Project Cost (TPC) for a NAHTF project is the sum of NAHTF requests for primary activities plus NAHTF requests for support activities. These are costs expended during the contract period that will be requesting reimbursement from the award. The TPC maximum allowed per project award in 2024 is $750,000. Total Project Cost (TPC) does not include the following activities, i.e., General Administration, Housing Management or Lead Based Paint Testing. It also does not include expenses funded with leverage sources.

Rental Project Reserves – Rental Project Reserves are eligible for funding by NAHTF. Rental Project Reserves include funding for replacement, operating and rent-up reserves (definitions below). When requested, rental reserves is a separate budget line item for rental projects.

Reserves are meant to meet any shortfall in project income during the project affordability period. The reserves can be used only for project operating expenses, scheduled payment for replacement reserves and rent-up expenses to allow the project to maintain a positive cash position even when all the units are not leased. If the proposed project includes a request for NAHTF funded rental reserves, such reserves shall be funded only after units are complete and upon proof that reserve amounts have been placed into a separate bank account dedicated to the project's rental reserves. A plan for the governing of reserve funds will be required if awarded. Following below is further explanation of the three types of rental reserves.

Rent-up Reserves – Project may include in their Development Cost Schedule funding specifically dedicated to covering operating expenses during the initial period of rent-up. NAHTF does not set a minimum amount for this type of reserve. However, funding earmarked for Rent-up Reserves should not be retained longer than 18 months following completion of units. Remaining rent-up reserves may be used to fund operating expense reserves after 18 months. The project's plan for Governing Reserves should include plan for re-allocation of the remaining rent-up funds.

Replacement Reserves – Project must fund Replacement Reserves from the cash flow with a minimum deposit of $300 per unit annually throughout the affordability period. The Replacement Reserves are treated as an annual expense on the Operating Expense sheet of the Pro Forma packet. Replacement reserves are not shown on the Development Cost Schedule since they are normally funded by cash flow.

Operating Reserves – These reserves are meant to meet any shortfall in project income due to vacancy or unexpected costs exceeding revenue. The project's pro forma must show a minimum of 3 months of operating expenses plus debt service on the Development Cost Schedule. The reserve can be used only for project operating expenses, scheduled payments to replacement reserves and debt service. A minimum of 3 months of Operating Reserves plus debt service must be kept throughout the affordability period. The plan for Governing Reserves should specify when reserves may be accessed.

Visitability – The Department recognizes a growing need for accessible and visitable units for seniors and people with disabilities. Applicants should consider ways their project is able to incorporate modifications that reduce barriers for seniors and people with disabilities in a home environment, i.e. zero grade entrance, door widening, grab bars, locations of light switches, electrical outlets and environmental controls.

If it is not feasible to do so with this project, applicant should provide an explanation as to reasons

why. All new construction projects should be considering accessibility and visitability when designing units and be able to describe how they are incorporating.

Below is information provided by Assistive Technology Partnership (ATP).

ATP Housing Visitability – All ground floor units must be visitable to the maximum extent feasible, unless doing so would impose an undue financial burden on the project. A visitable design provides that new single-family homes, duplexes, and triplexes are more accessible and usable to person with disabilities.

ATP Visitability Definition - A new single family home, duplex, or triple unit housing:
- No step/zero grade entrance with a 36" door into the unit's main floor (at least one)
- Minimum 32" clear space opening in interior doorways
- Minimum 36" wide hallways
- First floor bathroom which allows for wheelchair access (while maintaining privacy)
- Reinforcement in bathroom walls to permit future installation of grab bars
- Modification in location of light switches, electrical outlets, and environmental controls.

16.3 Lead-Based Paint Questions & Answer Resource

Lead-Based Paint Question and Answer Resource is found on the NAHTF web page under Application Guidelines and Grant Administration. Applicants can find a contact for DHHS regarding lead-based paint requirements at this link: https://dhhs.ne.gov/pages/lead.aspx.

16.4 Program Guidelines Checklists

Applicants will need to download the Program Guidelines Checklist for their project type from the NAHTF web page.   The checklists will help assure that the necessary NAHTF requirements have been included in a project's program guidelines. Applicant completes the checklist to align with the project's program guidelines and uploads both the program guidelines and the checklist to the application.

16.5 Frequently Asked Questions

GENERAL

Q: What are some reasons I am getting an error message when clicking "Mark as Complete" on a section of the application?
A: Check to be sure all questions have been completed. If a question has an asterisk it is a required question. For narrative answers that do not apply to your project you may enter NA for not applicable.   If it is a numerical field be sure to check that you have either entered a number or entered a zero "0" in order to not receive an error.

Q: Is an EIN notification letter enough to prove nonprofit status?
A: No, an Employer Identification Number letter is not sufficient documentation of an organization's tax-exempt number and does not verify non-profit status.

Q: How does the Department determine if an organization is an eligible 501c(3) or 501c(4) nonprofit?
A: Applicants with a status of 501c(3) or 501c(4) are required to upload their IRS Letter of Determination to both the pre-application and the full application as verification of nonprofit status. The Department consults GuideStar.org to verify an applicant is listed in their database as an active nonprofit. Nonprofits are flagged for further review if the entity is not found on the database

or if the entity's information is flagged due to possible status revocation. Consult the IRS website if you need a copy of your IRS tax-exempt determination letter.

Q: Can a 501(c)(6) organization apply for NAHTF?
A: For the purposes of the Nebraska Affordable Housing Trust fund an applicant that is a community-based neighborhood-based or reservation-based nonprofit must be a 501(c)(3) or 501(c)(4) organization. The Department's Qualified Allocation Plan and program guidelines do not allow a 501(c)(6) as an eligible applicant.

Q: Does applicant need to be registered to do business in the State of Nebraska?
A: Yes. All applicants must be registered to do business within the State of Nebraska and be listed on the Nebraska Secretary of State's website unless exempt from doing so. Exceptions include municipalities, villages, Development Districts and Public Housing Authorities.

Q: Is there a best practice for what funding is "too much" to ask for?
A: Every project and the areas they serve are different. The key is to request the amount of funding needed to make the project successful and sustainable and to build the applicant's case for that. Work closely with your project team, i.e. owner, lender, realtors, etc. as their expertise can assist with finding the right numbers to make the project work. Consider how to infuse sources of leverage such as owner equity, line of credit, and other financial resources. NAHTF is not intended to be the sole funder of projects, but is meant to encourage private developers, housing organizations and others to partner with private and/or public funders to leverage resources in order to bring creative projects that are needed in a particular service area.

Q: Without significant outside funding, projects in smaller communities may only be able to commit to one or two units for a project. This is also due to the shortage of contractors who can work within a committed timeframe. Are smaller projects less likely to get funding?
A: It is not possible to predict how any given project might score based on the amount being requested in any given application cycle. Every year is a different mix of projects. Applicants should demonstrate that the project is addressing a legitimate need in their community, that it is financially solid and able to be completed in the allowed timeframe. Applicants should also show how a project can impact the area based on the number of housing units currently existing, and how the project will impact that base number. A project may be smaller in scope than others but have a larger impact based on the location and housing stock in the area it is proposed in.

Q: The Application Guidelines state that NAHTF is not intended to fund 100% of a project. Is there a best practice for deciding how much funding to request?
A: It is correct that the NAHTF resources are not intended to fund entire projects. However, applicants showing NAHTF as the sole funding source may still apply. They should articulate why there are no additional funding sources being included in their particular project. An applicant that has directly funded pre-development costs from other sources and is now requesting NAHTF for a phase of the project may describe this in the Project Description Summary. Every project and the areas they plan to serve are different. The key is to request the amount of funding needed to make the project successful and sustainable. The application should make the case for the amount of need being requested. Work closely with your project team which may include developers, lenders, realtors, etc. as their expertise can assist with figuring out the numbers needed to make the project work.

Q: Do 2024 projects need to follow the National Environmental Protection Act requirements?
A: No. 2024 projects are not required to follow the National Environmental Protection Act (NEPA) Federal regulations. If funded, the DED Recipient's contract will reference provisions of the Revised Statutes of the State of Nebraska and all federal and local laws, that *may* be applicable to the project. It is the responsibility of the Recipient to understand what the laws are

that govern their type of project and to rely on their legal counsel for questions regarding such.

Q: What sources can be included on the Leverage Table?
A: The Leverage Table should include ALL non-NAHTF funding sources used for <u>hard costs</u> of a primary or support activity <u>during the open contract period</u>. Examples are a bank line of credit, other non-DED awards, private investment, owner equity, etc.

Leverage Table should <u>NOT</u> include:
- Cash Match
- Homebuyer or Homeowner Contributions
- Homeowner Mortgage or Rent Payments
- General Administration Costs
- Housing Management Costs
- Pre-Development Costs
- Post-Development Costs
- Proceeds from sale of the project's NAHTF funded units

Homebuyer contributions, soft costs, pre and post development costs are relevant information about the project and can be described within the application's Project Description Summary, but are not included in the Leverage Table.

If awarded, the Department will consider the leverage sources listed on the Leverage Table in the application and pro forma. DED may choose to include specific requirements in the recipient's contract regarding how the leveraged funds are documented during the DED contract period.

Q: Can funds spent outside of the contract period be identified as leveraged funds? (ex: purchase of a building or rehabilitation of building prior to application or notice of award.)
A: No. For consistency for all applications, the Department has determined that only funds leveraged <u>during the contract period</u> should be included in the leveraged funds table. This ensures consistent information and data for statutory reporting requirements of leveraged funds. Applicants are encouraged to include within their narratives any additional funds already spent or anticipated to be spent throughout a multi-phase project (outside the contract period) to provide the Department a full understanding of the project.

Q: What is the difference between cash match and leverage?
A: Cash Match is a type of leverage. *However*, it is in a different funding source category than leverage as it is cash on hand at time of award which is being committed to the project <u>by the applicant</u> in order to fund a portion of the (non-administrative) project costs. Cash Match must be recorded on payment requests and supported by source documentation and proof of payment. Leverage funds are not recorded on payment requests. (See previous FAQ describing leverage.)

Q: Can funds already expended be used as cash match?
A: No. Cash match is an applicant's unrestricted cash available upon award. Applicants providing match as part of their application are joining DED in the investment of resources and risk, therefore they are awarded points for taking on such. The applicant is responsible for incurring the project costs paid for with their match and will provide proof of payment on the payment request forms. Applicants must fill out the Cash Match Documentation Form and upload it to their application in order to receive points.

Q: Can a private developer provide the cash match?
A: Cash match is an applicant's unrestricted cash on hand at time of award. <u>A private developer does not meet the definition of an eligible applicant</u>. Applicants providing match as part of their application are joining DED in the investment of resources and risk, therefore they are awarded points for taking on such. See match documentation form on NAHTF web page for details.

Q: Can rent income or mortgage payments be considered cash match for the project?
A: Rent income and mortgage payments generated from the NAHTF project that is being applied for <u>cannot</u> be listed as Cash Match or as a source of financing for the project (leverage) and should not be included in the pro forma or on the leverage table.

Q: Will the pre-application be evaluated for approval to proceed?
A: The DED housing staff will review the pre-application and a housing program representative will notify you once the pre-application has been reviewed. However, applicants may wish to begin work on their full application prior to hearing from their housing program representative and are encouraged to do so.

Q: Is there a maximum NAHTF amount allowed for demolition activity?
A: There is not a maximum NAHTF funded amount for demolition. However, demolition is a support activity and must be done in conjunction with a primary activity. The maximum allowed for primary plus support activities is $750,000 for the 2024 funding cycle. [See Terms and Definitions in the Application Guidelines for more details.]

Q: What limits do we use for determining income limits?
A: The table for income limits is located on the NAHTF web page. Scroll to the bottom of web page to find section labeled "Data for Applicants and Grantees." The table is typically updated in June. Therefore, if awarded, an applicant will need to refer to the latest income limits table when beginning to qualify homebuyers or tenants. Contact your housing program representative if you have questions regarding the table.

Q: Is housing specific to seniors (55+) something that NAHTF funds can be used for exclusively?
A: Applicants can limit their project to elderly households age 55 and older. If they identify this in their application it will be carried over into the contract if funded. This is typically included in "Table of Project Requirements" on page 2 of the contract.

Q: Are there limits for amount of NAHTF subsidy allowed per unit on projects?
A: The maximum per unit subsidy for NAHTF Homebuyer New Construction and Rental New Construction and Rental Conversion projects is found on the current HUD HOME Maximum Per Unit Subsidy table on the NAHTF webpage under section titled "Data for Applicants and Grantees." The NAHTF cap for the Rehabilitation Activity is $40,000 per unit (excluding Rental Conversion and Purchase/Rehab/Resale projects). Applicants should also be consulting the Program Guidelines Checklist for their project type which is located on the NAHTF webpage under section titled Application Guidelines & Administration.

Note: By understanding the affordability of the AMI being targeted in the project's service area, knowing the cost to build the unit, as-built appraisal amount and any other funding sources to be applied, an applicant organization will need to determine whether the units they are planning to build are "affordable" to the AMI within the subsidy limit requirements of the NAHTF program. Reach out to your Housing Program Representative for discussion if the Subsidy Limit is a barrier to the success of the project.

Q: Can TIF be used in a NAHTF project?
A: TIF is short for Tax Increment Financing. If a project is using TIF this should be mentioned in the Leverage or Project Description Summary narrative. It demonstrates that the community is supporting the project by providing TIF financing as a way to fund infrastructure needed for the project. TIF is a source of leverage but does not fit the definition of cash match.

Note: The Rental pro forma has space for applicant to describe the use of TIF in the project at the bottom of the Sources and Uses sheet and should include how the TIF will be used and status for approving its use in the project.

Q: Can you explain Section 14.1 of the Application Guidelines, 'Determining Income Eligibility of NAHTF Beneficiaries'?
A: The NAHTF program may serve up to 120% average median income (AMI) for the area the project units are located in. Recipients of NAHTF awards will use the same method as the HUD HOME program uses for determining income eligibility, except that the income maximum that NAHTF projects can serve is up to 120% AMI and will must in agreement with the amount stated in the project application and award contract.

RENTAL PROJECTS

Q: Where can we find average utility rates to use for the rental pro forma?
A: NDED recommends using the Housing Authority for the area the project is located in to obtain utility allowance (UA) averages. Experienced developers/builders may also have a solid idea of what to expect for the type of units being created in a certain location/region or area.

Q: How do I figure out the amount of rehabilitation allowed in the Rental Rehab project?
A: NAHTF assistance for Rental Rehabilitation of a unit has a cap of $40,000 per unit up to $750,000. For example, a project of a multi-family complex with 4 units may request $160,000 in the Rehabilitation category. A unit that requires more than $40,000 in NAHTF may need and is permitted to use additional funding sources to bring it up to DED minimum rehabilitation standards.

Q: Does the $40,000 cap for Rehabilitation activity apply to Rental Conversion projects?
A: The $40,000 per unit maximum for NAHTF Rehabilitation does not apply to Rental Conversion projects. Rental Conversion projects involve a building, having a non-residential use, or one that has been deemed uninhabitable and, will require substantial renovation that alters an existing building's value by 50% or more for the purpose of creating affordable housing units. Plans and specs will need to be approved by the Nebraska Department of Environment and Energy (NDEE).

Q: Can a Rental Rehabilitation project request a Developer Fee?
A: A NAHTF funded Developer Fee is not an eligible activity for Rental Rehabilitation or Rental Conversion projects.
Note: The NAHTF funded Developer Fee is a separate line item in the NAHTF budget in projects where the applicant is also the developer and is taking on the risk of ownership while the units are either being constructed or rehabbed (See Developer Fee information in the Application Guidelines for details).

Q: How do I figure the amount allowed for Housing Management in a Rental project that is creating a 12-unit complex and 6 will remain affordable (NAHTF-assisted) throughout the affordability period.
A: If the project will be completing 12 new Rental units using NAHTF funding and if all 12 will be completed during the open contract period, where 6 are Market rate and 6 will be claimed as NAHTF-Assisted & Affordable units.   the Applicant may request up to $60,000 in Housing Management. (12 X $5,000 = $60,000). The Housing Management request may not exceed $75,000 regardless of the number of units being completed.

Q: Is acquisition an eligible cost for Rental Projects that have a private developer/owner who will acquire the site and own the completed units?
A: Acquisition is an eligible cost for rental projects when a for-profit entity is working in conjunction with an eligible applicant organization. The for-profit entity must submit the closing statement to the DED Recipient. The DED Recipient will reimburse the for-profit entity for amount of NAHTF acquisition budgeted and will use the closing statement as the source documentation and the DED Recipient's canceled check as the proof of payment to request reimbursement from DED.

Q: Are Rental Reserves an eligible activity for projects with private developer/owners of Rental Projects? How are they documented for reimbursement?

A: Yes, rental projects with a for-profit developer/owner may request NAHTF to fund rental reserves. Reserves are funded by NAHTF reimbursement upon documentation of unit completion and proof that reserve amounts have been placed into a separate bank account dedicated to the project's rental reserves. The project will be required to provide a Statement for Governing Reserves as a Special Conditions item.

Q: Is lead based paint testing necessary for Rental Conversion projects?
A: Conversion projects usually involve extensive rehabilitation and the creation of new units. It is the applicant's responsibility to be aware and follow the Nebraska Lead-Based Paint Regulations, Nebraska Lead Statutes, the EPA Renovation, Repair and Painting (RRP) Rule, and the Lead-Based Paint Disclosure Rule. For more information refer to the Lead-Based Paint Q&A found on the NAHTF webpage under Application Guidelines and Grant Administration. Applicants may contact Nebraska Department of Health and Human Services if they still have questions regarding Lead-Based Paint requirements and the Nebraska laws.
DHHS Contact:
Office of Environmental Health Hazards & Indoor Air
Email: DHHS.HealthHazardsIndoorAir@nebraska.gov
Website: https://dhhs.ne.gov/pages/lead.aspx.

Q: Do Rental Conversion projects have to abide by the maximum subsidy per unit amounts?
A: Yes – Rental Conversions must abide by the NAHTF/HOME Maximum Per Unit Subsidy Limits available on the Department's NAHTF web page. For example, if a project is doing a 4-unit Rental Conversion project, then the conversion costs of each of the 4 units must be at or below the current NAHTF/HOME Maximum Per Unit Subsidy Limit.

Q: If a conversion project involves commercial property renovation on the main level and apartments upstairs – how are construction costs divided?
A: NAHTF will only fund the housing portion of mixed-use projects. The rental pro forma packet has a Development Cost Schedule Sheet. Enter the estimated expenses related to the housing units only on the Development Cost Schedule. This may mean coming up with the ratio of housing square footage versus the commercial square footage and figuring amounts of construction expenses to attribute to each. At the very bottom is a space for entering the amount attributed to the commercial space. We encourage applicants to work closely with their developer, contractor, and other project team members to complete the pro forma estimates.

Q: When a Rental Project is renovating part of the main floor for commercial space, is there a formula based on square footage to determine what is appropriate to ask as a portion of electrical, plumbing, roof, HVAC install costs?
A: DED recommends applicants work with a knowledgeable contractor to discuss estimating costs. A project with both residential and commercial space needs to clearly articulate the amount of square footage that is commercial vs the amount of space that is residential in order to split those costs. NAHTF will only support the residential costs. As invoices come in for the project that have both commercial and residential related expense, the project will need to define the portion of each invoice that is housing related in order to get reimbursement.

Q: Is Tenant Education a requirement for Rental Projects?
A: Yes, NDED does require tenant education to be provided and validated with a certificate of completion in order to stay in compliance with NAHTF guidelines. This is stated in the program guidelines checklist. Rentwise is a common resource. Other educational programs may be submitted to DED for approval and use in a project. Applicants who are awarded NAHTF funding should work with the project partners/developers in the early stages of project to plan for tenant education. It is recommended that tenant applications include an agreement to complete tenant education and provide proof of completion prior to move-in. Property Management/Owners may provide an incentive for potential tenants to attend. Typically, NAHTF-assisted units have lower rents than market-rate which provides a degree of incentive

for new tenants.

Q: Is the Rentwise Housing Provider Education a requirement?
A: No. This is not a requirement. DED encourages applicants with rental projects to consider this education for owners, landlords and property managers responsible for managing rental units using a NAHTF investment. The full application will provide a space for uploading proof of completion.

Q: What are the Rental Rate Limits?
A: Using the HUD HOME Rent Limit table found on DED NAHTF web page; rents should be no more than the 65% rent limit line established by HUD for the area project is located in. However, if the Fair Market Rent (FMR) limit shown on the HUD table is lower than the 65% rent limit, the project may need to consider using the FMR as the limit. Ultimately, the project needs to be able to support the decision for rent amount set on the income restricted NAHTF-assisted units. The rents need to make sense for the project and the area that the project is located in. The units need to be affordable to the targeted AMI population also.
Note: The HUD table assumes landlord/owner is paying utilities. Gross rent limit on the rental pro forma is rent plus utilities. Rent Limits are updated yearly and, if awarded, recipients will need to refer to the most recent table on the NAHTF web page to be sure the units remain in compliance.

Q: Do Rental Conversion projects need to abide by the Per Unit Subsidy Maximum?
A: Yes, Rental Conversion projects will use the NAHTF/HOME Maximum Per Unit Subsidy Table found at the bottom of the NAHTF web page. Use the line identified as All Nebraska and Iowa PJs/Counties. Rental Conversion and Purchase/Rehab/Resale projects are not subject to the $40,000 per unit Rehabilitation Activity cap.

Q: What types of units may be involved in rental rehab projects?
A: A rental rehabilitation project with sites identified, whether the units are single-family, duplex, tri-plex or multi-family, may be submitted for consideration. Rental Rehabilitation projects that are speculative in nature (those that do not have sites identified at time of application) will not be eligible. It is recommended that applicants complete a pre-application for their rental project and review the project with their program housing representative prior to full application.

HOMEBUYER PROJECTS

Q: What is the radon requirement for a project having only one primary activity of Homebuyer Assistance?
A: A Homebuyer project including only the primary activity of Homebuyer Assistance (typically provided as down payment assistance) must include in the program guidelines a policy of informing homebuyers of radon risk including the provision of educational material and providing a test kit to the homebuyer. Applicants should refer to the Homebuyer Program Guidelines Checklist on the NAHTF web page for more details.

When designing a program, NAHTF applicants are encouraged to consider the safety and well-being of their potential beneficiaries in drafting their radon policy. Applicants will outline their policy within the narrative question of the application and if the policy exceeds the minimum standard, the narrative is an opportunity to share their decision to do so. Radon is a growing concern and likely present across all of Nebraska. NDED encourages applicants to be informed. View the State Agency Training given by DHHS (Part 2) found on NAHTF webpage under Training and Workshops.

Q: How does an applicant predict the cost of building a new single-family home within NAHTF limits?
A: Applicants are encouraged to work closely with their project team which typically includes a developer, contractor, lender, etc. These project team members can provide expertise as to the market conditions and the cost of building a single-family home. NAHTF uses the HOME

Subsidy Limit Table which is based on the number of bedrooms. The current table is found on the NAHTF webpage under section titled "Data for Applicants and Grantees."

Q: How is a home's sale price determined?
A: The most typical method is to price the unit in line with the as-built appraisal or Fair Market Value. However, the sale price of the unit does not always mean it is the amount a homebuyer will take on as their mortgage at closing. New construction projects funded with NAHTF should be providing a minimum of $1000 in NAHTF-funded Homebuyer Assistance per unit, not to exceed 20% of the sale price. Projects consider the AMI they are targeting and determine the amount of Homebuyer Assistance (down payment) to budget for based on the AMI they are targeting. Some programs find it necessary to apply an Affordability Subsidy by reducing the sale price below Fair Market Value in order to make it affordable to the homebuyer. It is a good idea to describe the method used for determining sale price of the units in the project's program guidelines. See Application Guidelines, Section 16.2 for definitions of these different subsidies.

Q: How do we determine the amount of Homebuyer Assistance to provide and budget for?
A: Typically, projects determine the maximum amounts of NAHTF Homebuyer Assistance based on a number of factors that include the Average Median Income (AMI) the project will be targeting, the housing market, cost of the unit to build, etc. Each project will come up with their own program guidelines and shall include a maximum amount of Homebuyer Assistance per unit based on need. The Department only allows up to 20% of the home's sale price to be funded with NAHTF Homebuyer Assistance and recommends estimating the NAHTF budget for the Homebuyer Assistance category based on the maximum the project will provide.

Some projects have put in place a method for determining amount based on ratios. For example, a project may wish to provide down payment amounts that keep an applicant from spending over 30% of their household income on housing costs and also requires that applicants have a personal debt to income ratio (DTI) of 40% (as example) or less. The amount provided may be based on what is needed to satisfy the lender's requirements for providing the mortgage. For purposes of creating the budget, we recommend deciding on a maximum per unit and building the budget to fit that. The method for determining amount per homebuyer to be allowed should be described in the application and in the project's program guidelines.

Q: Are Purchase/Rehab/Resale projects allowed to have a lease to own component?
A: Yes, an applicant may purchase a property, rehabilitate the project with NAHTF funding, and enter into a lease to own contract with a tenant who will have option to purchase after a set number of years. This does not require a known site at time of application. However, the DED applicant has to be the purchaser of the housing unit and responsible for the rehabilitation of the unit prior to entering a contract for lease to own. Applicants should discuss the project with their Housing Program Representative prior to submitting application for additional guidance. Describe the unique aspects of the project in the project description summary of the application and the program guidelines will need to clearly articulate the Lease to Own process.

Q: Do Purchase/Rehab/Resale projects have a $40,000 cap?
A: Homebuyer Purchase/Rehab/Resale projects are ones that the applicant is the owner (the entity that purchases and rehabs the project for resale to eligible homebuyer). The owner/developer of PRR projects must be the eligible DED applicant. For 2024 projects, the amount of NAHTF funded rehabilitation is not capped at $40,000 per unit. The proceeds from sale of a unit are expected to be used in the acquisition and rehabilitation of subsequent units until the DED contract has ended.

16.6 Scoring and Threshold Details

Threshold Review Table

Applicable Project Type	THRESHOLD REVIEW for Housing Development & Technical Assistance Applications	Determination
All Project Types	Applicant submitted a pre-application by the required due date.	Eligible or Ineligible for scoring
All Project Types	Applicant is eligible to apply. *Applicants that are 501c3 or 501c4 must have IRS Tax-exempt Determination Letter uploaded. [DED will use GuideStar.org as a resource for checking nonprofit status and presence of any red flags.]*	Eligible or ineligible for scoring
All Project Types	Applicant selected correct congressional district for where project will be located.	If incorrect, flag for review and decision. If allowed, a resubmission correction is required within 24 hours of notification
All Project Types	Applicant applied within applicant organization's AmpliFund portal.	Eligible or ineligible for scoring
All Project Types	Required milestones identified in QAP for current DED Housing awards have been met by submission due date.	Eligible or ineligible for scoring
All Project Types	All NAHTF requests are within allowed limits per the 2024 Application Guidelines	If not, flag for review and decision.
Homebuyer NC Homebuyer P/R/R Rental NC Rental Rehab Rental Conversion	Required Proforma was uploaded, (if required for project type).	Flag for review if missing. If allowed resubmission correction required within 24 hours of notification

Housing Development Application
Points Possible Table

Points Possible for Housing Development Applications Includes Subjective, Objective and Pro-Forma Evaluations				
Project Types	Total Points Possible	Objective Points Possible	Subjective Points Possible	Pro-Forma Points Possible
Homebuyer New Construction	**120**	57	55	8
Rental New Construction	**120**	57	55	8
Rental Conversion	**120**	57	55	8
Homebuyer Purchase/Rehab/Resale	**110**	47	55	8
Rental Rehabilitation	**110**	47	55	8
Homeowner-Occupied Rehabilitation	**110**	55	55	N/A
Homebuyer Assistance Only or w/Rehab	**90**	35	55	N/A

Objective Score Table
Housing Development Application

Applicable Project Type	Objective Scoring Housing Development Applications (2024 DED Priorities have highest point possibility)	Points Possible
Project Type Key: HB [Homebuyer]; HO [Homeowner]; RH [Rental]; Rental Conversion [Rental Conv]; HBA [Homebuyer Assistance] NC [New Construction]; P/R/R [Purchase/Rehab/Resale]; Rehab [Rehabilitation]; OOR [Owner-occupied Rehab]		
All Project Types	Applicant has correctly named application according to directions found in Application Guidelines and workshops.	1
All Project Types	Local contact is on staff with the applicant organization, i.e. listed as Primary or Local Contact. When not completed correctly, point will not be given.	1
All Project Types	Project Service Area selected aligns with the Project Description Summary and only serves one Congressional District.	1
All Project Types	Project is identified as focused on Disaster Recovery and proof is provided throughout application and program guidelines of a focus on victims of disaster.	2
All Project Types	Opportunity Zone ALL units will be located in an Opportunity Zone. (1) Some units will be located in an Opportunity Zone. (.5) Map must be uploaded and identifies the boundary area or location of units.	1
All Project Types	Enterprise Zone ALL units will be located in an Enterprise Zone. (1) Some units will be located in an Enterprise Zone (.5) Map must be uploaded and identifies the boundary area or location of units.	1
All Project Types	Extremely Blighted Area or Blighted Area All units in an officially designated Extremely Blighted Area. (1) If designated Blighted Area receive (.5) Some units in an officially designated Extremely Blighted Area. (.5) If designated Blighted Area (.25) Map must be uploaded that identifies the boundary area and location of units and identifies whether Extremely Blighted or Blighted designation.	1
All Project Types	Requested amount for General Administration is less than the maximum allowed by DED.	1
All Project Types	A Housing Study completed by a third party consultant is uploaded. Published or updated on or after Jan 1, 2014 and before Jan 1, 2019 = 1 pt. Published or updated on or after Jan 1, 2019 = 2 pt.	2
Homebuyer NC Homebuyer P/R/R Rental NC Rental Conv	Applicant is in role of Developer/owner but is not requesting NAHTF Funded Developer Fee.	1
All Project Types	NAHTF Activity Selection Activities are correctly filled out and amounts align with Budget.	2
All Project Types	NAHTF Budget Creation Budget was created according to directions provided.	1

All Project Types	Affordability Period
	  5 years = 0 pts 9 years = 1.75
	  6 years = 1.00 10 years = 2.00
	  7 years = 1.25
	  8 years = 1.50
		2

All Project Types	Project units will serve Beneficiaries making 80% or below average median income (AMI):
	  100% of units serve at or below 80% AMI = 1.00
	75-99% of units serve at or below 80% AMI = .75
	50-74% of units serve at or below 80% AMI = .50
	25-49% of units serve at or below 80% AMI = .25
	  1-25% of units serve at or below 80% AMI = .15
		1

Homebuyer NC Rental NC Rental Conversion	Building site or rental conversion site is owned by applicant or the project developer at time of application submission. (Upload proof of site ownership for all sites)	2
Homebuyer NC Rental NC Rental Rehab Rental Conversion	Project has approved DED site review for all sites in the project that are uploaded to the application.	2
Homebuyer NC Rental NC Rental Rehab Rental Conversion	Cost estimates from a third party have been obtained for construction or rehabilitation activity. (Estimates must be uploaded to receive points)	3
Homebuyer NC Homebuyer P/R/R	Homebuyer Project: Applicant will own completed project unit(s) for sale to eligible homebuyer.	3
Rental NC Rental Rehab Rental Conversion	Rental Project: Applicant will own the completed project unit(s).	3
Homebuyer NC Rental NC Rental Conversion	New Construction and Rental Conversion projects: The architectural unit design has been selected and is uploaded as attachment to application.	2
Homebuyer P/R/R Rental Rehab Homeowner OOR	Five (5) points shall be given for applications dedicated to the rehabilitation of existing units. *(Purchase/Rehab/Resale, Rental Rehab, or Owner-occupied Rehabilitation)*	5
Homebuyer NC Rental NC Rental Conversion	Ten (10) points shall be given for applications dedicated to creation of new units *(Homebuyer new construction, Rental new construction & Rental conversion)*	10
Rental NC Rental Rehab Rental Conversion	Rental Projects proving that property managers and/or owner has completed the online Rentwise Housing Provider Education will receive 1 point. (Proof of Completion must be uploaded.)	1

All Project Types	Project Leverage as a Percent of Total Development Costs (TDC) Calculation: Amount of Leverage (Form 4) / Total Development Costs Leverage must <u>not</u> include Match.	4

Percent	Score
2.5-4.99%	.5 point
5-7.49%	1 point
7.5-9.99%	1.5 points
10-12.49%	2 points
12.5-14.99%	2.5 points
15-17.49%	3 points
17.5-19.99%	3.5 points
20% and above	4 points

Note 1: If project units will be owned by a private developer, the leverage must equal at least 10% or more of the NAHTF assistance otherwise no points will be given.

Note 2: DED will verify points based on pro forma review and/or project type.

All Project Types	Cash Match Calculation 1:1 = 10 points Cash Match divided by NAHTF Request* X 10 = Points (rounded to nearest hundredth) Example 1: [50,000/750,000] X 10 = .67 point Example 2: [175,000/350,000] X 10 = 5 points *Does not include General Administration, Housing Management or Lead-based Paint Allowances	10
All Project Types	NAHTF assistance has a revolving component that involves a <u>non-forgivable</u> loan, in part or in whole.	3

Points below are used to balance the score table and are based on project type.

Homebuyer P/R/R	Four (4) points shall be given for projects dedicated to the rehabilitation of single-family owner-occupied units.	4
Homeowner OOR	Sixteen (16) points shall be given for projects dedicated to the rehabilitation of single-family owner-occupied units.	16
Homebuyer HBA Only (HBA) HBAw/Rehab	One (1) point shall be given for projects dedicated to providing only Homebuyer Assistance in form of downpayment assistance and/or closing costs and/or with NAHTF funded rehabilitation.	1

Subjective Score Table
Housing Development Application

Subjective Scoring for Housing Development Applications (55 points possible)	
Project Design (20 pts)	**Points Possible**
Project Description Summary is well written and addresses items listed in the Application Guidelines, Section 9. Variable.	0-10
Applicant demonstrated impact on project service area. Variable.	0-5
Applicant demonstrated commitment to making physical unit design decisions with a favorable impact on seniors or beneficiaries with disabilities. • **Especially relevant to New Construction** projects but may be demonstrated in other program types, feasible, not feasible and why. *Not applicable to HBA Only or HBA w/Rehab Variable	0-2*
Applicant addressed plan for using recaptured NAHTF funds after end of contract period. Variable.	0-3
Program Guidelines covering *Assistance Types and Terms* includes informing beneficiary of the limit of NAHTF assistance and does not exceed 20% of sale price. *Score for – HBA Only or HBA w/ Rehab projects.	0-2*
Organization and Project Team Capacity (15 pts)	**Points Possible**
Organization Description Summary demonstrates experience and capacity to administer the project and addressed items listed in Application Guidelines. Variable.	0-5
Answers that gave excerpts from Program Guidelines were well done and demonstrated knowledge and capacity for administering the program if awarded. Variable.	0-10
Project Readiness & Collaboration (20 pts)	**Points Possible**
Overall, applicant demonstrates project readiness and collaboration. Variable	0-5
Project demonstrates readiness. Readiness factors considered may include, but are not limited to: • Explanation and/or proof uploaded of public input within one year of application date. • Project's Program Guidelines have been approved by governing body. • Letters of support or financial commitments provided. • Description of pre-development costs expended. Variable.	0-5
Quantitative and Qualitative Data Data uploaded was useful to verify need for this project type. Included but was not limited to, housing study, surveys, designs, waitlists, census data, etc. Variable.	0-5
Reviewer rating for project's overall viability and quality of application submission. Variable.	0-5

Proforma Score Tables

RENTAL PRO FORMA PACKET EVALUATION (8 pts.)		Points Possible
Rental - All	DCSR on pro forma is at least 1.15 in year one.	.5
Rental - All	DCSR on pro forma does not fall below 1.0 in years 1-10.	.5
Rental - All	Gross Monthly Rent per Unit is within allowed limit for unit types.	.5
Rental - All	Vacancy Rate is Nebraska average as found on American Community Survey ACS) or sufficient explanation is provided.	.5
Rental - All	Development Cost Schedule - Operating Reserves = 3 mo. Operating Expenses + Debt Service.	1
Rental - All	Sources & Uses sheet is balanced.	.5
Rental - All	Replacement Reserves = $300 per unit.	.5
Rental - All	Number of units to remain affordable exceeds the minimum requirement.	1
Rental - All	If private developer will own completed units, a minimum of 10% of amount of non-admin NAHTF requested is shown as owner equity.	1
Rental - All	Overall quality and completeness. Variable. (May use decimals.)	0 to 2

HOMEBUYER PRO FORMA PACKET EVALUATION (8 pts.)		Points Possible
Homebuyer (NC & P/R/R)	Includes a Per Unit Development Cost Budget.	.5
Homebuyer (NC & P/R/R)	Cash flow during contract period demonstrates use of sale proceeds to fund subsequent units so as to ensure project is not over subsidized.	1
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a balanced Sources and Uses Statement including the NAHTF requested amount. [Sources=Uses].	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a projected per unit cost to build.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a projected sale price per unit.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes projected amount of HBA to be provided per unit, if applicable.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes projected appraisal cost per unit (estimated value of completed unit) is provided.	.5
Homebuyer(NC)	If private developer will own completed units, a minimum of 10% of amount of non-admin NAHTF amount being requested is shown as owner equity in the Sources and Uses statement of the Pro Forma Packet.	1
Homebuyer (NC & P/R/R)	Overall quality and completeness. Variable. *May use decimals.	0 to 3

Points Possible & Scoring Criteria
Technical Assistance Application

Selection Criteria and Points Possible for Non-Profit Technical Assistance Applications	
Criteria	**Points Possible**
Project Design (40 available) Variable. • Project Description Summary is clearly stated, and key information is addressed. Scored for quality of project and demonstrates capacity. • Organization Description Summary is clearly stated, and key information is addressed. Scored for quality of project and demonstrates capacity. • Performance Plan goals are measurable and align with selected activities. • Description and estimates of expenses are identified, reasonable and eligible.	0-40
Impact, Sustainability and Collaboration (15 available) Variable. • Applicant demonstrates how award will impact capacity of organization to increase. housing development activity. • Applicant has a plan for sustainability of a new long-term financial need, if applicable. • Applicant adequately demonstrates collaboration with community and area it serves.	0-15
Financial Management (5 available) Variable. • Financial documentation or other data uploaded demonstrates financial stability. • Description of policies and processes for internal controls is acceptable.	0-5
Total Possible Points	**60**

Tiebreaking Table
Housing Development and Technical Assistance Applications

Tiebreaking Factors for Housing Development and Technical Assistance Applications [Will be used at DED discretion]	Points Possible
In the event of ties, applications receiving points for Legislative First Priorities (Enterprise, Opportunity, Extremely Blighted) or are determined to be a Disaster Recovery project will be used to determine final rankings by giving 1 additional point to those that have been verified to meet such criteria. If still needed, any of the below that follow may be implemented at DED discretion to determine final rankings to be used in making final award determination.	0-4
Impact calculation: [# of proposed units divided by # of Housing Units in Service Area] X 100 = score. Round to the nearest hundredth. [*Will not apply to Homebuyer Assistance Only projects.*] *Data source: American Community Survey.* Variable.	Open
Lowest per unit NAHTF amount being requested. Based on average NAHTF assistance requested per unit. *(Found by adding primary plus support activity requests and dividing by number of units to be completed during contract.)* 2 points to application with lowest NAHTF assistance required per unit.	0-2
If past recipient of NAHTF, the number of requests for contract extensions of Recipient's open or closed awards will be calculated. (# of previous awards reviewed for tie breaker determination will be at DED discretion.) 0 contract period extensions = 2 points 1 contract period extensions = 1 points 2 or more contract period extensions = 0 points	0-2
If past recipient of NAHTF, the number of payment request rejections received in past 12 months (prior to May 9, 2023), for Recipient's DED funded awards (either open or closed) will be calculated. Zero (0) rejections of payment requests = 3 points No more than 2 rejection of payment requests = 2 point No more than 3 rejections of payment requests = 1 point 4 or more payment rejections will receive 0 points	0-3

Record of Change

Find the Version identifier on the cover page of this document. Summary of Changes includes a brief description of the revisions.

Version	Date	Summary of Changes
1.1	02/15/24	1. Pg. 10, Section 4, Conversion definition clarified. 2. Pg. 19-20 Section 7.2, Clarification of leverage. 3. Pg. 23 Section 8.3, Naming a Technical Assistance Application added. 4. Pg. 23, Section 9, Project Types include Conversion as a type of rental project. 5. Pg 26, Section 9, Disaster Recovery 6. Pg. 53 Section 16.2, Edited definition of leverage. 7. Pg. 54, Section 16.3, Change of contact for DHHS (lead-based paint). 8. Pg. 56. Section 16.5, Addition of Frequently Asked Questions.
1.2	03/04/24	1. Pg. 6, Section 2.1, added Area Median Income (AMI) of Beneficiaries. 2. Pg 15, Section 6.2, addition of "activity" in non-administrative heading. 3. Pg. 16, Section 6.2, addition of "activity" in Administrative Allowances heading and edits to the paragraph following. 4. Pg. 26, Section 9.3, added AMI for Homeowner projects. 5. Pg. 64, Objective scoring, Blighted Area score clarification. 6. Pg. 67, Subjective Scoring, edit header to reflect 55 points possible for all project types. 7. Pg.69, Tiebreaker Table, edit to show variable points possible.
1.3	03/13/24	1. Pg. 8, Section 4.1, Change to Technical Assistance Eligible Activities. 2. Pg. 11, Section 4.1, RE: PRR project. Change "uses" to "use" in last paragraph of page. 3. Pg. 15, Section 5.2, Added "See Section 10 Notes." 4. Pg. 36, Section 10, Clarification of Office/Workplace Improvements. 5. Pg. 37, Section 10, Addition under "Notes" regarding Technical Assistance ineligible expense.