

# Grantee: Nebraska

## Grant: B-19-DF-31-0001

October 1, 2022 thru December 31, 2022

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**Grant Number:**

B-19-DF-31-0001

**Obligation Date:****Award Date:****Grantee Name:**

Nebraska

**Contract End Date:**

07/07/2027

**Review by HUD:**

Reviewed and Approved

**Grant Award Amount:**

\$108,938,000.00

**Grant Status:**

Active

**QPR Contact:**

Jenny Mason

**LOCCS Authorized Amount:**

\$108,938,000.00

**Estimated PI/RL Funds:****Total Budget:**

\$108,938,000.00

## Disasters:

### Declaration Number

FEMA-4420-NE

## Narratives

### Disaster Damage:

After record low temperatures that created frost depths approximately two feet deep and ice on rivers and creeks in winter of 2018-2019, Winter Storm Ulmer, a bomb cyclone – or “winter hurricane,” a term given to a rapidly intensifying storm – roughly equivalent in power to a Category 2 hurricane, moved across Nebraska between March 12 and 15, 2019. Recorded wind gusts during the cyclone approached 80 mph in many parts of the state and contributed to blinding blizzard conditions that closed highways and stranded motorists. Many roads and bridges, and other infrastructure, were damaged such that they were “out of service” or impassable for a considerable amount of time, causing remarkable disruption.

The bomb cyclone also brought heavy snow, blizzard conditions, rainfall, and above-freezing temperatures into much of the interior of the US. This part of the country already had significant snowpack on the ground due to above-average precipitation during the 2018-2019 winter season. Nebraska experienced its worst flooding event in 50 years between March and July 2019. As temperatures warmed in April and May 2019, the heavy snow and excessive rainfall from the 2018-2019 winter season contributed to rapid melting of ice and snow, resulting in flooded rivers and ice jams that breached levees, damaged infrastructure, and destroyed thousands of homes and businesses. The eastern side of the state was particularly impacted by flooding, resulting in fatalities, evacuations, and search and rescue missions. In many areas, the flood damage was exacerbated by thick river ice breaking off in an atypically severe manner. Bridges were washed away by flooding or rendered impassable due to accumulated ice chunks.

### Recovery Needs:

Grantees who receive an allocation through the CDBG-DR program are required to conduct an Unmet Needs Assessment (UNA) to assist in the identification and prioritization of critical unmet needs following a disaster and to identify long-term recovery efforts that will mitigate against future disasters. For DR-4420, the State of Nebraska’s UNA identified \$269,043,934 in unmet need, specifically \$55,637,821 in unmet housing need, \$196,163,422 in unmet infrastructure need, and \$17,242,691 in economic revitalization need. Throughout the State, recovery efforts have been taken and continue to be initiated for public and private housing and infrastructure facilities. Local jurisdictions reported having completed repairs on homes that were damaged or destroyed as well as repairing infrastructure facilities. However, additional need remains. As a result of the UNA process, Nebraska will establish five programs (funding opportunities) to assist in its disaster recovery:

1. Infrastructure Match Program
2. Affordable Housing Construction Program
3. Homeowner Assistance Program
4. Risk Awareness Planning Program
5. Housing Resilience Planning Program

Nebraska’s CDBG-DR program and funding opportunities are not designed or intended to create Program Income nor establish revolving loan funds (RLFs).

Low- and Moderate-Income (LMI) & Vulnerable Populations: Nebraska will prioritize activities under the housing programs that benefit LMI households, persons experiencing homelessness, and individuals requiring supportive housing, as identified in 24 CFR 91.315(e).

Prioritization of vulnerable populations aligns with applicable Fair Housing requirements.

Most Impacted and Distressed (MID) Areas: HUD requires that 80% of CDBG-DR funds be allocated and spent in HUD-defined MID areas. HUD originally identified the MID areas as being the entirety of Sarpy County, zip code 68025 (Fremont, Inglewood, and Woodcliff) in Dodge County, and zip codes 68064 and 68069 in Douglas County (Valley and Leshara). Based on the UNA, Nebraska expanded the HUD-defined MID to include all of Dodge County and Douglas County. As a result,



Dodge, Douglas, and Sarpy counties will be the target for 80% of available CDBG-DR funding.

**Infrastructure Needs:** As the UNA and HUD’s early assessments both indicate, DR-4420 generated catastrophic impacts to infrastructure, resulting in significantly higher losses in that category than economic and housing needs. Infrastructure damage was widespread, with 84 out of 93 counties impacted, reporting damage to roads, bridges, levees, dams and many other critical infrastructure facilities. To address the extensive infrastructure needs within the state, the state is prioritizing CDBG-DR funding under DR-4420 for infrastructure recovery.

**Housing Needs:** To determine how many housing units would require funding through the CDBG-DR program, DED conducted a data analysis to review the total number of homes served through existing State housing programs. DED estimated the total remaining unmet need in both the HUD MID and state MID areas to be 252 housing units.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$6,196,900.00
<b>Total Budget</b>	\$0.00	\$6,196,900.00
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$86,247.25	\$1,504,289.09
<b>Program Funds Drawdown</b>	\$86,247.25	\$1,504,289.09
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$86,247.25	\$1,504,289.09
<b>HUD Identified Most Impacted and Distressed</b>	\$68,997.80	\$1,203,431.27
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

**Funds Expended**

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
Nebraska Department of Economic Development <sup>1</sup>	\$ 86,247.25	\$ 1,504,289.09

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	70.00%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$.00	\$.00
<b>Overall Benefit Amount</b>	\$71,918,770.00	\$.00	\$.00
<b>Limit on Public Services</b>	\$16,340,700.00	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$21,787,600.00	\$6,196,900.00	\$1,504,289.09
<b>Limit on Admin</b>	\$5,446,900.00	\$5,446,900.00	\$1,504,289.09
<b>Most Impacted and Distressed</b>	\$87,150,400.00	\$4,957,520.00	\$1,203,431.27

**Overall Progress Narrative:**

Progress Overview QPR-2022 Q4, October 1, 2022 - December 31, 2022

During this reporting period, through the NIFA-DED joint application process, DED selected four (4) additional applications for funding through the 2023 9% LIHTC funding round for CDBG-DR assistance via the Affordable Housing Construction Program. This brought the number of selected projects for new construction of affordable multifamily rental housing from five (5) to nine (9), increasing the number of affordable housing units to be funded by CDBG-DR from 231 to 621 within the HUD MID area. Additional funding decisions are anticipated for AHCP in subsequent reporting periods, including additional multifamily rental- and single-family owner-occupied units.

Funding decisions are also underway for the Infrastructure Match Program. Although DED anticipated concluding its detailed project vetting to determine project eligibility and fundability, that process will continue into the 2023 calendar year. Funding decisions for the Match program are anticipated in the next two reporting periods (2023 Q1 and Q2). Through the Match program, DED continues its coordination with NEMA to make available CDBG-DR funding to support over 250 Public Assistance projects and 11 Hazard Mitigation Grant Program projects. Creating a mechanism for CDBG-DR to help local jurisdictions with the local cost share for these FEMA PA and HGMP projects was identified as a high priority need during the action planning process.

To support successful implementation of its programs, DED published, on its website, updated versions of application and program guidelines, and the CDBG-DR Manual and continues to build out toolkit materials containing technical assistance for potential subrecipients and successful applicants through webinars, program tools, and other resources. During this period, three (3) technical assistance webinars were delivered to Infrastructure Match Program participants, three (3) one-one-one technical assistance webinars were held for housing developers having been selected for funding through the joint



application process in 2022 Q4, and three (3) outreach meetings were held with housing advocacy groups interested in funding opportunities for housing construction. Informal discussions and conversations are ongoing. DED had anticipated incurring expenditures for housing and infrastructure activities during 2022 Q4. However, except for the expenditure of Admin, there were no expenditures nor accomplishments to report during this period. DED had projected 1) expenditures for infrastructure, housing, and planning activities to occur within the reporting period, 2) accomplishments for infrastructure activities under the Infrastructure Match (Match) Program, and 3) accomplishments for housing activities. However, funding awards for affordable housing projects did not occur until late in 2022 Q2 and Q4; and accomplishments are not anticipated for those housing awards for several months and not before funding agreements are in place. DED is in the process of conducting due diligence to enter into funding agreements resulting from the DED-NIFA joint application process. DED entered into a funding agreement with NEMA to support the expenditure of DR funding for PA Match, individual funding agreements with the local jurisdictions are anticipated for HMGP Match projects under the Match Program. As with prior reporting periods, expenditures for administration and planning have been higher than projected due to the extent and content of the grant conditions, requiring DED to create and enhance myriad policies and procedures, including those for program implementation needs prior to HUD allowing DED to launch programs. DED diligently continues work to meet HUD feedback.

As stated in the prior reporting period, aligning program launch timelines with capacity continues to be a challenge. Due to its piggyback programs to address housing and infrastructure unmet needs, DED must align its resources and schedules to any standing funding cycles of its partners; and, while challenging, still likely to result in swifter accomplishments than standing up standalone, unfamiliar programs. In the case of its partnership with NIFA, the AHCP was able to launch quickly alongside an immediate application cycle for their 2022 and 2023 QAP. DED is in the process of determining if and to what extent CDBG-DR resources may be available for the upcoming 2024 QAP. As for its Infrastructure Match Program, the timing of DR assistance becoming available has been a significant challenge related to some projects having not yet started, others in progress, and still others being complete. While DED did anticipate some degree of this, the scale and scope of the problem was exacerbated by the process to address grant conditions and the receipt of over 300 pre-applications to the Match Program -- many of which could not meet the top two tiers of priorities DED established in its Action Plan for meeting the HUD requirements per the FRN. The universe of applications seeking relatively small amounts and the number of applicants outside of the HUD MID required strategic assessment of the Match and overall DR program before proceeding. Moreover, with a record amount of federal funding available to address community needs in the state and across the nation, DED and its stakeholders and partners are working diligently to be good stewards of those federal resources, inclusive of these DR funds.

DED anticipates publishing its application for the second prong of AHCP, the Homeowner Production Program (HPP). The outcome of these housing application cycles and funding decisions will complement those anticipated for the Infrastructure Match Program, ultimately informing reallocation decisions to be incorporated in its action plan. DED anticipates incurring expenditures for Housing and Infrastructure activities during 2023 Q1. Hence, DED will be entering activities under its DRGR Action Plan during the next reporting period, corresponding with the execution of funding agreements for those activities. As a result of funding decisions made to-date, including those anticipated in 2023 Q1, and its ongoing outreach and engagement with local, state and regional partners, and stakeholders to assess outstanding unmet recovery needs, DED anticipates submission of an action plan amendment. This forthcoming amendment is likely to include reallocation of funding to support those needs as identified across the programs currently identified in the action plan. At this time, DED does not anticipate the removal or addition of eligible activities. DED will follow the amendment process as detailed in its HUD-approved Action Plan.

DED remains committed to its delivery of additional technical assistance to subrecipients and successful applicants through webinars, publication of program tools, and other resources.

#### Milestones

October 14, 2022. Affordable Housing Construction Program - LIHTC Gap Financing subprogram: DED issues Notice of Intent to Award (NOIA) letter to four (4) successful applicants for the 9% 2023 CDBG-DR/LIHTC funding round.

November 29, 2022. DED published the HUD-approved QPR for 2022 Q3.

December 2, 2022. Affordable Housing Construction Program - LIHTC Gap Financing subprogram: NIFA-DED joint application threshold applications due for the 2023 4% round. 2 of 9 applications requested consideration for awards of CDBG-DR. (Full Application due date: January 6, 2023; awards anticipated in 2023 Q1.)

## Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DR-19-AD, Administration	\$86,247.25	\$5,446,900.00	\$1,504,289.09
DR-19-AHC, Affordable Housing Construction Program	\$0.00	\$26,000,000.00	\$0.00
DR-19-HAP, Homeowner Assistance Program	\$0.00	\$11,000,000.00	\$0.00
DR-19-HRP, Housing Resilience Planning Program	\$0.00	\$2,250,000.00	\$0.00
DR-19-IMP, Infrastructure Match Program	\$0.00	\$63,491,100.00	\$0.00
DR-19-RAP, Risk Awareness Planning Program	\$0.00	\$750,000.00	\$0.00

