

Grantee: Nebraska

Grant: B-19-DF-31-0001

October 1, 2021 thru December 31, 2021

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).

Recovery Needs:

.opt; color: #212529;">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.

| Overall | This Report Period | To Date |
|--|---------------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$6,196,900.00 |
| Total Budget | \$0.00 | \$6,196,900.00 |
| Total Obligated | \$0.00 | \$5,446,900.00 |
| Total Funds Drawdown | \$163,033.49 | \$193,315.29 |
| Program Funds Drawdown | \$163,033.49 | \$193,315.29 |
| Program Income Drawdown | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Total Funds Expended | \$0.00 | \$0.00 |
| HUD Identified Most Impacted and Distressed | \$0.00 | \$0.00 |
| Other Funds | \$ 0.00 | \$ 0.00 |
| Match Funds | \$ 0.00 | \$ 0.00 |
| Non-Match Funds | \$ 0.00 | \$ 0.00 |

Funds Expended

| Overall | This Period | To Date |
|--|--------------------|----------------|
| Nebraska Department of Economic Development1 | \$ 0.00 | \$ 0.00 |

Progress Toward Required Numeric Targets

| Requirement | Target | Projected | Actual |
|-------------------------------------|-----------------|------------------|---------------|
| Overall Benefit Percentage | 70.00% | .00% | .00% |
| Minimum Non Federal Match | \$.00 | \$.00 | \$.00 |
| Overall Benefit Amount | \$71,918,770.00 | \$.00 | \$.00 |
| Limit on Public Services | \$16,340,700.00 | \$.00 | \$.00 |
| Limit on Admin/Planning | \$21,787,600.00 | \$6,196,900.00 | \$193,315.29 |
| Limit on Admin | \$5,446,900.00 | \$5,446,900.00 | \$193,315.29 |
| Most Impacted and Distressed | \$87,150,400.00 | \$4,957,520.00 | \$.00 |

Overall Progress Narrative:

Executive Summary QPR-1 (2021 Q4)

Except for the expenditure of Admin, there were no expenditures or accomplishments to report during this period. DED cannot begin accepting applications for funding until HUD approves or resolves grant conditions. DED had projected expenditures for infrastructure activities under the Infrastructure Match Program to occur within the reporting period. However, DED has made no funding awards because the content of the grant conditions does not allow for it. DED continues its work to meet HUD feedback.

While the program has experienced challenges to address the grant conditions, DED continues its commitment to meeting the grant conditions and maintains regular correspondence with its HUD Grant Manager. Early on, the primary challenge was a lack of access to Admin funds until their release, which followed execution of the grant agreement, July 7, 2021. Following their release, DED was able to create and hire two full-time positions to help administer the program and contracted an experienced consultant to assist in the administration. Despite the funding delay and the scale and scope of the grant conditions, in the six (6) months following access to Admin, DED drafted over forty (40) policies and procedures, established regular outreach sessions with the public and potential subrecipients, initiated its first amendment (substantial) to the Action



Plan, and received HUD approval for 1) its first voucher for grant funds and 2) one grant condition. During the next two reporting periods, DED anticipates expenditures for Admin, Planning, Housing, and Infrastructure activities.

Progress Overview QPR-1, October 1, 2021 - December 31, 2021

DED is currently finalizing myriad policies and procedures for activities (inclusive of an implementation manual, program guides, and a monitoring plan -- detailing the policies and procedures for each program (or project, as applicable), including details of the eligible activities; the required records; management practices; subrecipient oversight; provision of technical assistance; monitoring practices; and timely expenditure of funds), per HUD Grant Conditions. A summary of grant conditions and status for each is included below in some detail.

DED anticipates opening funding applications for four (4) of five (5) programs during the next reporting period. The fifth program is the Risk Awareness Planning Program to be implemented directly by DED (no subrecipients). DED cannot begin accepting application or funding until HUD approves or resolves grant conditions.

Efforts to Affirmatively Further Fair Housing: Each program guide includes a statement of commitment, "The State of Nebraska enforces conduct of the CDBG-DR program to ensure that no person is excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status." This commitment will follow through program implementation through AFFH reviews of subrecipient and multifamily projects being considered for funding to determine whether projects are consistent with goals of affirmatively furthering fair housing.

Timeline

The following progress timeline is not intended to be exhaustive; however, it does attempt to capture key milestones and actions taken to launch programs to support the expenditure of CDBG-DR dollars to assist the state's hardest hit areas following the historic winter storm and flooding of 2019 (DR-4420). Key milestones appear with an asterisk.

1. October 8, 2021. DED participates in NIFA's Qualified Action Plan (QAP) Public Hearing, which involves the "joint application" process for accessing LIHTC and CDBG-DR resources.
2. November 1, 2021. DED submission to HUD, materials related to Grant Condition A-2.
3. *November 3, 2021. HUD approves DED's submission for Grant Condition A-2.
4. November 15, 2021. DED participates in NIFA's second Public Hearing and Overview presentation of their Qualified Action Plan (QAP), which involves the "joint application" process for accessing LIHTC and CDBG-DR resources.
5. November 19, 2021. DED participates in NIFA's second Qualified Action Plan (QAP) Public Hearing, which involves the "joint application" process for accessing LIHTC and CDBG-DR resources.
6. November 24, 2021. DED published program summaries for all five DR programs to its website and as part of each program's "project toolbox", a resource for potential applicants, subrecipients, and the general public interested in DR.
7. *November 29, 2021. DED hosts two virtual community outreach meetings for potential subrecipients/applicants (e.g., UGLs, housing developers) and beneficiaries (e.g., general public).
8. December 2, 2021. DED submission to HUD, partial materials related to Grant Condition A-1.
9. December 10, 2021. DED submission to HUD, partial materials related to Grant Condition A-1.
10. *December 10, 2021. DED issues press release giving notice of the 30-day Public Comment Period and Public Hearing for its Action Plan Amendment 1 (Substantial), December 10, 2021 through January 10, 2022.
11. December 14, 2021. DED publishes FAQs for five DR programs and announces the availability of a webinar to coincide with the in-person Public Hearing on the 27th.
12. December 17, 2021. DED submission to HUD, partial materials related to Grant Condition A-1.
13. December 22, 2021. DED submission to HUD, materials related to Grant Condition B-2.
14. December 23, 2021. DED enters contract change order for the grants management system software to manage additional CDBG-DR funds.
15. *December 27, 2021. DED holds in-person public hearing for Action Plan Amendment 1 (Substantial). Simulcast/supplementary webinar held as a courtesy to accommodate a larger audience. At this time, and partially as a result of social distancing considerations, DED does not yet have the technology to offer a hybrid (in-person and webinar) event that enables persons logged into the webinar to hear public comments by those attending the in-person. DED is in the process of obtaining the necessary equipment and anticipates having it available for the next in-person and/or hybrid public hearing.
16. December 31, 2021. DED submission to HUD, partial materials related to Grant Condition A-1.

The following occur subsequent to the reporting period and are only included for additional context to the abovementioned items.

- *January 3, 2022. HUD approves DED's submission for Grant Condition B-2.
- *January 10, 2022. End of the 30-day Public Comment Period for its Action Plan Amendment 1 (Substantial), December 10, 2021 through January 10, 2022.
- *January 25, 2022. DED submission to HUD, Action Plan Amendment 1 (Substantial).

Overview, March 2019 - September 30, 2021

- In early 2019, the State of Nebraska suffered record-breaking damage from severe winter weather, straight-line winds, and its worst flooding event in 50 years, leading to a Federal major disaster declaration (DR-4420) under the Stafford Act. Damage from DR-4420 was widespread, leading to disaster declarations in 84 of the State's 93 counties (and four tribal areas), with the worst damage located in the eastern part of the state.
 - HUD Most Impacted and Distressed (MID) is detailed in the Action Plan and includes Dodge, Douglas, and Sarpy counties.
 - Pursuant to the federal requirements for DR-4420, a minimum of 80% of this allocation must be invested in HUD-defined MID areas.
 - A minimum of 70% of total CDBG-DR program funds must be spent on Low-to-Moderate Income (LMI) populations.

Initial DRGR Action Plan approved August 10, 2021 to include six (6) initial projects created in DRGR, including specific activities for Administration and Risk Awareness Planning. Vouchers submitted and drawdowns to-date have been limited to Administration due to DED addressing HUD Grant Conditions. Access to project costs is limited until HUD approves submissions for Grant Conditions.



During August 2021, in response to HUD's Grant Condition A-2, DED onboarded two new staff dedicated to the administration and oversight of DR activities and procured a contractor to support those efforts. DED retains all administrative functions per its Grant Agreement with HUD.

Timeline

The following overview timeline is not intended to be exhaustive; however, it does attempt to capture key milestones and actions taken by HUD (federal awarding agency) and the State of Nebraska's DED (grantee) to launch programs to support the expenditure of CBG-DR dollars to assist the state's hardest hit areas following the historic winter storm and flooding of 2019 (DR-4420). Key milestones appear with an asterisk.

1. *March 9, 2019 through July 14, 2019. Disaster Incident Period (DR-4420).
2. March 21, 2019. Disaster Declaration Date.
3. June 6, 2019. Presidential designation.
4. December 3, 2019. HUD announces Nebraska's allocation amount.
5. January 17, 2020. HUD publishes allocation notice.
6. January 27, 2020. Release of Federal Register.
7. February 3, 2020. Date of Applicability.
8. December 9, 2020. DED publishes CDBG-DR website.
9. February 19, 2020. DED enters contract for services with contractor involving Nebraska's CDBG-DR Action Plan ("Action Plan") and associated needs (e.g., policy consultation; proficient protocols, processes, and procedures; risk management evaluation; community engagement).
10. March 20, 2020. HUD issues extension due to COVID-19.
11. April 11, 2020. DED submitted Implementation & Risk Assessment ("HUD Certifications") to HUD.
12. April 12, 2020. DED relaunches CDBG-DR website to include program information for stakeholders (e.g., potential applicants; subrecipients; general public, including beneficiaries).
13. *June 23, 2020. DED publishes Action Plan for public comment.
14. June 30, 2020. Action Plan presentation and public hearing.
15. July 16, 2020. Action Plan presentation and public hearing.
16. *July 31, 2020. DED submits the State of Nebraska DR-4420 Action Plan to HUD for approval.
17. September 14, 2020. HUD issued letter to DED in response to Action Plan submitted in July, written comments followed two weeks later.
18. September 16, 2020. DED established the regular coordination meetings with HUD staff (ongoing through HUD's approval of Action Plan, May 3, 2021).
19. November 10, 2020. State of Nebraska's CDBG-DR grant reassigned to DRSI Fort Worth.
20. November 24, 2020. HUD assigned a TA provider to DED.
21. November 25, 2020. DED publishes Request for Proposals for services related to Duplication of Benefits (DOB) requirements for its CDBG-CV and CDBG-DR programs.
22. March 8, 2021. DED enters contract for services involving DOB requirements for its CDBG-CV and CDBG-DR grants.
23. March 19, 2021. Following multiple coordination meetings with HUD staff and various informal submissions, DED submitted final revisions of HUD Certifications to HUD.
24. April 14, 2021. After multiple coordination meetings with HUD staff and various informal submissions, DED submitted a revised version of the Action Plan for final approval.
25. April 26, 2021. DED published the revised Action Plan on its website at HUD's direction.
26. *May 3, 2021. HUD approved the Action Plan.
27. May 19, 2021. DED publishes Request for Proposals for grant management services for its CDBG-DR program.
28. June 7, 2021. DED received Grant Agreement, DED begins formal work on Grant Conditions.
29. June 14, 2021. DED executed Grant Agreement and returned to HUD for full execution.
30. *July 7, 2021. DED received fully executed Grant Agreement; six-year program term begins. Four Grant Conditions, including:
 - Program and capacity building (Grant Condition A).
 - Final program guides and policies and procedures.
 - Demonstration of additional staffing and contractors.
 - Community Engagement (Grant Condition B).
 - Update Citizen Participation Plan
 - Demonstration of solicitation and engagement of citizens in developing program guidelines prior to implementation.
 - Financial Management (Grant Condition C).
 - Supporting documentation with all DRGR vouchers until completion of HUD's first two on-site monitoring reviews and resolution of any significant findings resulting from those reviews.
 - Monitoring Plan (Grant Condition D).
 - Detailed oversight policies and procedures of other entities (e.g., subrecipients).
31. July 14, 2021. DED published applicant guidance (i.e., FAQs) on its website for the Infrastructure Match Program.
32. August 9, 2021. DED enters contract for services with contractor involving grant management services.
33. August 31, 2021. DED submission to HUD, materials addressing Grant Condition B-1.
34. *September 2, 2021. HUD approves submission for Grant Condition B-1.
35. September 30, 2021. DED participates in NIFA's Public Hearing and Overview presentation of their Qualified Action Plan (QAP), which involves the "joint application" process for accessing LIHTC and CDBG-DR resources.

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 | \$163,033.49 | \$5,446,900.00 | \$193,315.29 |
| 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 |

