

Nebraska Department of Economic Development

Nebraska Affordable Housing Program

Program Income, CHDO Proceeds & Recaptured Funds Information Sheet

Program Income is the income received by the grantee directly generated from the use of NAHTF, CDBG, and/or HOME funds.

A Program Income, CHDO Proceeds & Recaptured Funds Report must be filed separately for each funding source. Complete the NAHTF, HOME, and CHDO Housing Program Income Report for NAHTF and HOME Funds, and the CDBG Housing Program Income Report for CDBG Funds.

Reporting Periods: January 1–June 30 (Report due July 30)
July 1–December 31 (Report due January 30)

Report to be emailed, or mailed to: Housing Division
Nebraska Department of Economic Development
310 Centennial Mall
PO Box 94666
Lincoln, NE 68509-4666

Program Income, CHDO Proceeds, & Recaptured Funds: General Descriptions

- 1. Program Income Reuse:** Program Income is the income received by a grantee directly generated from the use of Nebraska Affordable Housing Program grant funds. Income generated from program income is classified as program income regardless of how many times it is reused. Program income must be reallocated in accordance with the organizations Program Income Reuse Plan. Each Program Income Reuse Plan must be approved by DED.

Program Income includes, but is not limited to:

- Proceeds from the sale or long term lease of real property having been acquired, rehabilitated, or constructed with NAHP funds;
- Income from the use or rental of real property owned by grantee that was acquired, rehabilitated, or constructed with NAHP funds, minus the costs incidental to generating that income;
- Payments of principal and interest on loans made with NAHP funds;
- Proceeds from the sale of loans or obligations secured by loans made with NAHP funds;
- Interest on program income; and
- Any other interest or return on the investment of NAHP funds.

Program income is NOT:

- Tenant payments for renting housing units in a NAHP assisted rental property.
- Proceeds generated from a CHDO project (income generated from a project designated by the Department as a CHDO set-aside project is called CHDO proceeds.).
- HOME Funds Recaptured as a result of a homebuyer property being sold within the HUD imposed affordability period. (Report as recaptured funds).

2. **CHDO Proceeds Reuse:** CHDO Proceeds are the proceeds resulting from a CHDO set aside including:
- The permanent financing of a CHDO project which is used to pay off a CHDO financed construction loan
 - The Sale of CHDO sponsored rental housing to a second non-profit.
 - The Sale of CHDO developed homeownership housing.
 - The principal and interest from a loan to a buyer of CHDO developed homeownership housing.

CHDO Proceeds are NOT:

- HOME funds recouped by a CHDO when HOME assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full HUD imposed affordability period.

Related CHDO information:

- Rental income which is generated from a CHDO owned project is not CHDO proceeds.
- CHDO proceeds must be reallocated in accordance with the organizations CHDO Proceeds Reuse Plan. Each CHDO Proceeds Reuse Plan and any revisions must be approved by DED.

3. **Recapture Funds:** Recaptured funds are HOME funds recouped by a grantee when HOME assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full HUD imposed affordability period. The amount of the recapture is determined by the grantees recapture requirements contained in their Department approved program guidelines. Recapture funds must be allocated in accordance with the organizations Program Income Reuse Plan specifying the use of recaptured funds. Each Program Income Reuse Plan and any revisions, must be approved by DED.

HOME Recapture and CHDO Proceeds may be used for HOME eligible activities. Neither may be used as a source for General administrative expenses.

PROGRAM INCOME RESOURCES AND INFORMATION:

1. A comprehensive guide to the CDBG Housing Program Income process, is in the CDBG Manual, Chapter 8, pages 10-18.
2. For CDBG Grantees “with eligible housing activities under Title I of the Housing and Community Development Act of 1974 (as amended), **continuing the same project activity** will include activities for owner occupied rehabilitation, down payment assistance, and rental rehabilitation that will meet a CDBG National Objective.”
3. Program Income Reuse Plan: Chapter 10 of current Application Guidelines, includes a **template** for the Program Income Reuse Plan for CDBG Housing, NAHTF Homebuyer and Homeowner programs.

4. The complete **HOME** and **NAHTF** Program Income Plan is as follows, in total:

Program Income, which the grantee has received or expects to receive as a result of grant activities, should be utilized and in conformance with the grantee's reuse plan as defined within the grantee's approved Program Guidelines for each NAHTF and HOME project.

In general, the Department continues to provide flexibility for housing organizations to use program income, particularly for projects that are funded through the NAHTF and HOME programs. The guidelines that the Department has provided in the past, and guidance that continues to be relevant today, is that for NAHTF and HOME program income (i.e. reuse funds) an organization should use their program income for the same activities awarded within the original project, or for other housing related activities. This information would be noted within the Grantee's Department approved, Reuse Plan.

For example, if the Department funds an Owner Occupied Rehab project, and program income is received, the Grantee should use the program income for additional OOR activities or for other housing related activities as identified within the Grantee's Reuse Plan (i.e. down payment assistance, etc.).

5. For CDBG Grantees "with eligible housing activities under Title I of the Housing and Community Development Act of 1974 (as amended), "**continuing the same project activity**" will include activities for owner occupied rehabilitation, down payment assistance, and rental rehabilitation that will meet a CDBG national objective."

CDBG HOUSING PROGRAM INCOME REPORT

| | | |
|--|----------------------|----------------|
| NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT | DED Use Only: | Date Received: |
| COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) | | Review by: |
| CDBG Housing Program Income Report | | Date: |

Semi-Annual Period Ending June 30, OR December 31,

I. General Information: Name: _____ Address: _____ Email: _____ Phone No: _____

Grantee Name: _____

Grantee Contact Person: _____

CDBG Administrator: _____

Bank: _____

Preparer: _____

| II. Local Reuse Plan Information: | Board Approved Date: | DED Approved Date | Grant Numbers |
|--|----------------------|-------------------|---------------|
| 1) Original Local Reuse Plan | | | |
| 2) Revised Plans | | | |
| 3) | | | |
| 4) | | | |
| 5) | | | |

additional pages as necessary

Certification: I certify, to the best of my knowledge and belief, the information contained in this report is true and correct.

| | | | |
|---------------------|----------|--------|-------|
| Certified Official: | Printed: | Title: | Date: |
| | | | |

NAHTF, HOME, and CHDO Housing Program INCOME REPORT

| | | |
|--|----------------------|----------------|
| NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT | DED Use Only: | Date Received: |
| Nebraska Affordable Housing Program | | Review by: |
| Program Income, CHDO Proceeds & Recaptured Funds | | Date: |

| | | | |
|-----------------------------------|-----------------------------------|-------------------------------|---------------------------------------|
| Semi-Annual Period Ending: | <input type="checkbox"/> June 30, | OR | <input type="checkbox"/> December 31, |
| Select Funding Source: | <input type="checkbox"/> NAHTF | <input type="checkbox"/> HOME | |

| | | | |
|-------------------------------------|---------|--------|-----------|
| I. General Information: Name | Address | Email: | Phone No: |
| Grantee: | | | |
| Grantee Contact Person: | | | |
| Preparer: | | | |
| Bank: | | | |

| II. Local Reuse Plan Information: | Board Approved Date | DED Approved Date | Grant Number |
|--|---------------------|-------------------|--------------|
| 1) Original Local Reuse Plan | | | |
| 2) Revised Plans | | | |
| 3) | | | |
| 4) | | | |
| 5) | | | |

Certification: I certify, to the best of my knowledge and belief, the information contained in this report is true and correct.

| | | | |
|---------------------|----------|--------|-------|
| Certified Official: | Printed: | Title: | Date: |
|---------------------|----------|--------|-------|

Program Income, CHDO Proceeds & Recaptured Funds

1. Program Income Reuse

(NAHTF Program Income include Recapture.)

(HOME Program income excludes Recapture, which is reported in Table C.)

| | | | |
|-------------------------|--|--|---|
| 1) Beginning Balance: | | | |
| 2) Receipts this Period | | | |
| a. Loan Repayments: | | | |
| b. Interest Earned: | | | |
| c. Total Receipts: | | | |
| 3) Balance Available: | | | |
| 4) Expenditures: | | | * |
| 5) Ending Balance: | | | |

2. CHDO Proceeds Reuse

(CHDO Proceeds excludes Recapture which is reported in Table C.)

| | | | |
|------------------------------|--|--|---|
| 1) Beginning Balance: | | | |
| 2) Receipts this Period: | | | |
| a. Loan Repayments: | | | |
| b. Interest Earned: | | | |
| c. Total Receipts: | | | |
| 3) Balance this Period: | | | |
| 4) Expenditures this Period: | | | * |
| 5) Ending Balance: | | | |

3. Recapture Reuse

(HOME or CHDO Recapture.)

| | | | |
|------------------------------|--|--|---|
| 1) Beginning Balance: | | | |
| 2) Receipts this Period: | | | |
| a. Loan Repayments: | | | |
| b. Interest Earned: | | | |
| c. Total Receipts: | | | |
| 3) Balance this Period: | | | |
| 4) Expenditures this Period: | | | * |
| 5) Ending Balance: | | | |

*Reported expenditures must match Column C, Total Expenditure, on Program Income Reuse Client Information (following page).

