



Proposed
Nebraska Affordable Housing Act
Qualified Allocation Plan (QAP)
2017

State of Nebraska, Department of Economic Development

Housing and Community Development Division

Nebraska Affordable Housing Trust Fund (NAHTF)

Effective July 1, 2017 through June 30, 2018 (2017 Program Year)

**NEBRASKA AFFORDABLE HOUSING ACT
2017 NAHTF Allocation Plan**

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1. INTRODUCTION

The Nebraska Affordable Housing Act (Neb. Rev. Stat. §§58-701 through 58-711) requires the Nebraska Department of Economic Development (DED) to develop a Qualified Allocation Plan (QAP) for distribution of Nebraska Affordable Housing Trust Fund (NAHTF) resources throughout the state.

The Department has also adopted rules and regulations concerning the administration of the Nebraska Affordable Housing Act (See 86 NAC 5). These regulations provide further details on the requirements of the Act and regulations which include recommended priorities for allocating trust fund resources and also the selection criteria. These include giving first priority in allocating trust fund assistance among selected projects to those projects which meet all of the following criteria: (1) are located in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act found in the Nebraska Revised Statutes §§13-2101 through 13-2112; (2) serve the lowest income occupant; and (3) are obligated to serve qualified occupants for the longest period of time.

The State, within the 2015-2019 Consolidated Plan (as it relates to the HUD (Housing and Urban Development) federal programs of CDBG (Community Development Block Grant), HOME, ESG (Emergency Solutions Grant), and HOPWA (Housing Opportunities for Persons with AIDS)), adopted 5 Priority Needs, one of which includes a Housing Priority Need.

The State's Housing Priority Need is based upon the significant need for affordable housing throughout the state. This need has been identified by communities, developers, non-profit organizations, and other members of the public as a vital resource that helps communities and neighborhoods improve economic opportunities. Adequate housing is vital to the viability of communities and improves economic development opportunities.

The State's Housing Priority Need includes the necessity to respond to regional needs for affordable, decent, safe, and appropriate housing as a part of balanced economic development in Nebraska. To meet the State's Housing Priority Need, four objectives have been developed, they include:

- * Promote additional affordable rental housing and preservation of affordable rental housing in selected markets;
- * Promote housing preservation by improving the quality of Nebraska's existing affordable housing;
- * Promote additional households into homeownership by expanding affordable homeownership opportunities; and
- * Enhance statewide understanding of fair housing law through outreach and education.

1.1 ANTICIPATED NAHP RESOURCES AND ALLOCATION

Within the Nebraska Affordable Housing Program (NAHP), resources will be provided that primarily benefit low to moderate income persons through affordable housing activities. These activities are completed through funding from Community Development Block Grant (CDBG), the HOME Investment program, the Nebraska Affordable Housing Trust Fund (NAHTF), and the National Housing Trust Fund (HTF).

Below is a summary of those resources and the general allocations based on proposed activities.

NEBRASKA AFFORDABLE HOUSING PROGRAM FUNDING

CDBG *	HOME *	NAHTF *	HTF *	TOTAL FUNDS
\$2,000,000	\$2,700,000	\$9,150,000	\$2,700,000	\$16,550,000

*These totals do not include administrative nor discretionary funds

NEBRASKA AFFORDABLE HOUSING PROGRAM ALLOCATIONS

Source	Amount	Activities
CDBG	\$2,000,000	OOR

Source	Amount	Activities
HOME	\$450,000	CHDO
HOME	\$2,250,000	Tax Credit Rental
Total	\$2,700,000	

Source	Amount	Activities
HTF	\$2,700,000	Rental

Source	Amount	Activities
NAHTF	\$6,015,000	Annual Cycle for Homebuyer and OOR
NAHTF	\$2,100,000	Annual Cycle Rental Pool
NAHTF	\$354,735	Annual Cycle Non-Profit Operating Pool
NAHTF	\$680,265	Match for HOME resources
Total	\$9,150,000	

* Please see funding descriptions below for further guidance on distribution of funds.

CDBG FUNDS:

The Department anticipates a 2017 CDBG allocation of approximately \$2,000,000. CDBG funds will only be available for applicants that are CDBG-eligible units of general local government and applying within the CDBG Owner Occupied Rehabilitation Program. If the remaining uncommitted and unobligated funds exceed the total amount of eligible and viable applications in the original funding category, or if funds need to be moved to another category in order for DED to meet timely distribution requirements, the funds may be distributed among any CDBG funding category identified in the 2017 Proposed Annual Action Plan.

HOME FUNDS:

The Department anticipates a 2017 HOME allocation of \$3,000,000. 10% of the allocation, or \$300,000, will be eligible to cover administrative costs. 15% of the allocation, or \$450,000, of HOME resources must be utilized by CHDO eligible projects, including rental, and homebuyer activities. The remaining resources, \$2,250,000, will be used to fund joint NIFA (Nebraska Investment Finance Authority)/DED Low Income Housing Tax Credit (LIHTC) projects for the development of rental housing. If there are not enough projects to fund, DED may also fund additional CHDO eligible activities.

HTF FUNDS:

The Department anticipates a 2017 HTF allocation of \$3,000,000. 10% of the allocation, or \$300,000 will be eligible to cover administrative costs. The remaining resources, \$2,700,000, will be used for eligible rental activities in the following distribution: up to \$500,000 for the joint DED/NIFA CRANE application cycle, up to \$700,000 for Targeted Needs Project Application, and in the Permanent Housing (PH) application cycle \$500,000 can be used within each of the Continuum of Care areas (Omaha, Lincoln, and Balance of State). If there are not enough feasible applications in any category, the funds can be moved to another funding category.

NAHTF FUNDS:

The Department anticipates a 2017 NAHTF allocation of \$9,600,000 for the 2017 Program Year. A portion of documentary stamp taxes from real estate transactions are transferred to the Nebraska Affordable Housing Trust Fund. Based on current revenue projections, current commitments, and estimated expenditures, the Department will utilize the above mentioned allocation from the Trust Fund for projects funded during the next fiscal year. Of the total

allocation, \$450,000 in resources will be used for State administrative expenses related to the program.

Per the requirements of the Nebraska Affordable Housing Act, and NAHTF regulations, no less than 30% of the NAHTF funds allocated annually must be provided to each of the three U.S. Congressional Districts. For the upcoming Program Year, it is anticipated that \$2,745,000 will be allocated in each Congressional District for eligible projects, including rental, homebuyer, and homeowner activities. This amount reflects 90% of the proposed project allocation.

The remaining 10% of the allocation, or \$915,000, will be allocated first to meet the State's HOME Investment Partnerships matching requirements. This includes \$680,265 in NAHTF resources for HOME Match and will be distributed through the joint NIFA/DED LIHTC application cycles for HOME Match. If there are not enough projects to fund, DED may also fund additional CHDO eligible activities. Any remaining resources from the 10% allocation will be utilized within a Non-Profit Operating Assistance application pool. Approximately \$234,735 will be utilized within that pool of resources available during the NAHTF Annual Cycle with no restrictions on district, and an additional \$120,000 with \$40,000 per district, for a total of \$354,735 in Non-Profit Operating Assistance.

2. DEVELOPMENT OF NAHTF ALLOCATION PLAN

The Qualified Allocation Plan (QAP) was developed to address the housing needs as identified by communities, developers, non-profit organizations, and other members of the public. The NAHTF is a vital resource that helps communities and neighborhoods provide adequate housing which is crucial to the viability of communities and improves economic development opportunities.

The Proposed QAP was the result of public participation and input from statewide housing partners and nationwide housing participants. Such participants include community representatives, developers, non-profit organizations, public agencies, and advisory committees.

Public comment and input was solicited at public input meetings held in 2016. The public input meetings attendance included participants from communities, non-profit organizations, community action partnerships, housing developers, development districts, public housing authorities, and the Nebraska Housing and Homelessness Commission. Comments generated from these meetings, along with collective written feedback, culminated in the Proposed 2017 Nebraska Affordable Housing Act QAP.

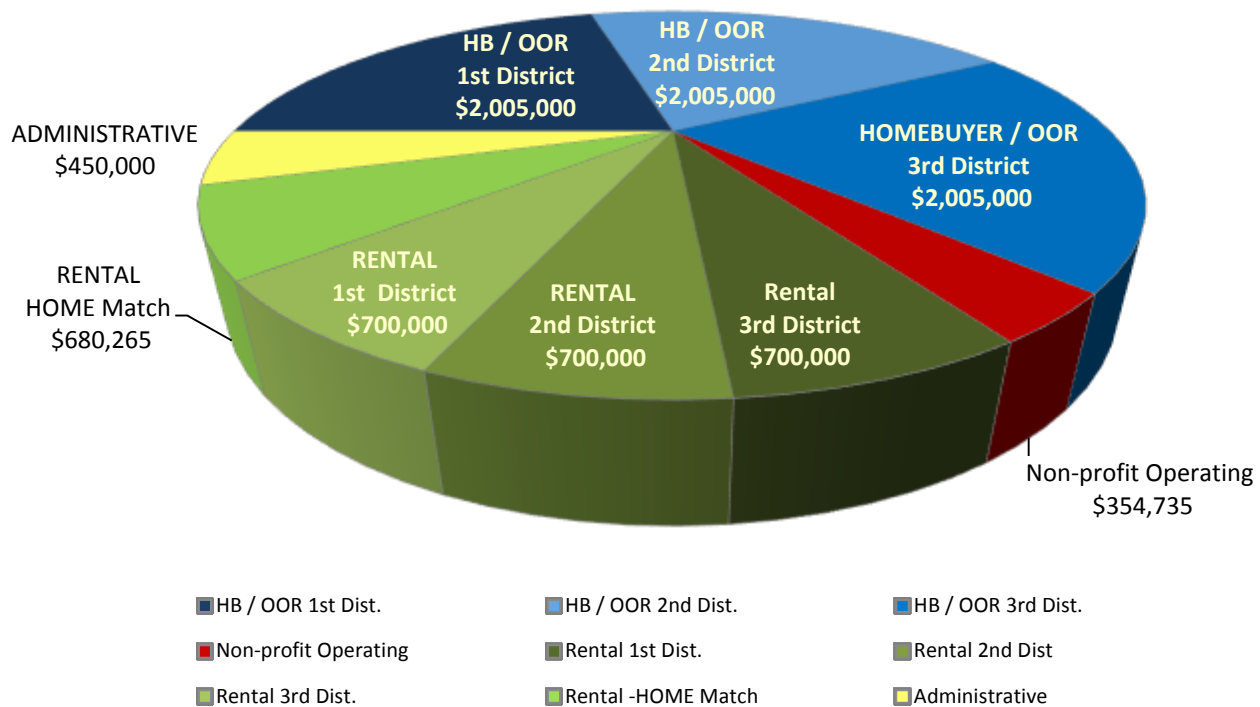
The Proposed 2017 QAP was presented to the Policies and Issues Committee of the Nebraska Commission on Housing and Homelessness (NCHH) for full review prior to its release to the public. Recommendations from the Policies and Issues Committee were incorporated into the proposed QAP and will be presented to the full NCHH commission.

The Proposed 2017 QAP will be released for a 30 day public comment period on November 30, 2016. A public hearing on the Proposed 2017 QAP will be held on November 30, 2016 in Lincoln, Nebraska. All comments received by the Department will be taken into consideration during the completion of the Final 2017 QAP.

2.1 ALLOCATION OF NAHTF FUNDS SUMMARY

The Nebraska Affordable Housing Trust Fund (NAHTF) will provide resources that benefit low to moderate income persons through affordable housing activities.

Below is a summary of those resources and the general allocations based on eligible activities.



NAHTF Allocation	Activities
\$6,015,000	Annual Cycle for Homebuyer and OOR
\$354,735	Annual Cycle Non-Profit Operating Pool
\$2,100,000	Annual Cycle Rental
\$680,265	Match for HOME resources
\$450,000	Administration
\$9,600,000	

3. ALLOCATION OF NAHTF FUNDS PROCESS

The State's Housing Priority Need objectives include promoting: additional affordable housing; housing preservation of existing affordable housing; affordable homeownership opportunities; and statewide understanding of fair housing law. These objectives will be accomplished, in part, using NAHTF resources which may be used for: rental; homebuyer; owner occupied rehabilitation; non-profit operating assistance; and education and outreach programs which serve persons throughout the state.

3.1 DETERMINE THE AMOUNT OF NAHTF FUNDS AVAILABLE FOR AWARD.

For the 2017 Program Year, NAHTF resources include a total of \$9,600,000, of which \$450,000 will be utilized for State administrative expenses related to the program. \$9,150,000 will be available for eligible projects and activities.

Within the 2017 Program Year, NAHTF resources will be used for: (1) a competitive housing application cycle (Annual Cycle); and (2) funding within NIFA/DED's tax credit cycles (if there are not enough projects to fund, DED may also fund additional CHDO eligible activities) in order to provide necessary NAHTF resources for the required HOME Program match.

Any additional NAHTF funds that may be available would result in an increase to the above mentioned allocation and would result in additional funds being made available within the Annual Cycle.

3.2 UTILIZE NAHTF RESOURCES FOR REQUIRED HOME MATCH.

Annually a portion of resources (both HOME and NAHTF) are reserved for low income housing tax credit (LIHTC) projects. Project funding requires eligible applicants to complete a NIFA/DED application and applicants must apply within DED/NIFA's 9% LIHTC Application Cycle Round 1, Round 2; within the Collaborative Resource Allocation for Nebraska (CRANE) Application Cycle; or within the 4% LIHTC Application Cycle as defined within the NIFA Qualified Allocation Plan; or if there are not enough projects to fund, DED may also fund additional CHDO eligible activities.

A portion of NAHTF funds are reserved for these tax credit projects and utilized as HOME Match per HUD's regulatory requirements of ensuring that 25% of the HOME allocation is matched with other non-federal resources. For the 2017 Program Year, \$680,265 in NAHTF resources will be used to meet the HOME match requirements.

DED may also award NAHTF funds to other tax credit projects in order to meet the NAHTF 30% per Congressional District statutory requirement.

3.3 NEBRASKA AFFORDABLE HOUSING ACT REQUIREMENT TO ALLOCATE A MINIMUM OF 30% OF THE NAHTF ALLOCATION TO EACH OF THE THREE U.S. CONGRESSIONAL DISTRICTS.

DED will meet this statutory requirement in Congressional District 1, Congressional District 2 and Congressional District 3 by reserving a minimum of \$2,745,000 of NAHTF funds in each of three Congressional Districts during the NAHTF Annual Cycle. If there are not enough pre-applications to meet the 30% requirement per district, the pre-application due date will be extended. If there is not enough requested through full applications received, the amounts of awarded grants may be adjusted or other NAHTF eligible projects will be funded to meet the 30% minimum requirement per district.

The remaining 10% of the NAHTF allocation proposed for the 2017 Program Year will include reserving a minimum of \$680,265 for HOME Match (as noted above) and the remaining \$234,735 will be used for projects within the Annual Cycle.

Funding within the Annual Cycle is based on the revenues generated and available within the Trust Fund. If funds are not available, allocations will be adjusted accordingly.

3.4 DED PRIORITY FOR NON-PROFIT OPERATING ASSISTANCE TO ELIGIBLE ENTITIES.

\$354,735 in NAHTF resources from the 2017 allocation will be available within DED's Annual Cycle for Non-profit Operating assistance. Pre-applications will be due on a date to be determined. Full applications will be due on a date to be determined. Application Guidelines for the Annual Cycle will be available on DED's website in January 2017.

Grants for operating assistance will be available to eligible applicants in the amount of \$40,000 for a two-year period (\$20,000 per year). All applications for operating assistance will be scored during the Annual Cycle in a separate pool of operating assistance applications. \$234,735 from this pool will be funded from the 10% allocation of NAHTF funds outside of the statutorily required Congressional District distribution. \$120,000 from this pool will be funded with the required 30% statutorily required Congressional District distribution. All funds not awarded for operating assistance projects will be made available within the Annual Cycle for other eligible projects.

3.5 LEVERAGE PUBLIC AND PRIVATE RESOURCES WITH NAHTF RESOURCES.

The Nebraska Affordable Housing Act addresses leveraging private funds in order to fund projects that provide housing in areas to be of critical importance for the continued economic development and economic well-being of communities where a shortage of affordable housing exists. Therefore, a portion of the NAHTF allocation will be used for rental housing requiring a 15% match of hard costs from each applicant for eligibility of award.

\$2,100,000 in NAHTF funds from the 2017 allocation will be available within DED's Annual Cycle for rental housing development. In order to meet the statutorily required Congressional District distribution, no less than **\$700,000** will be made available within each of the 3 Congressional Districts.

All applications for rental housing will be scored, during the Annual Cycle, in a separate pool of rental applications. Pre-applications will be due on a date to be determined. Full applications will be due on a date to be determined. All funds not awarded for rental housing projects will be made available within the Annual Cycle for other eligible projects. Application Guidelines for the Annual Cycle will be available on DED's website in **January 2017**.

3.6 DED PRIORITY FOR HOUSING PROJECTS THROUGHOUT THE STATE.

\$6,015,000 in NAHTF funds from the 2017 allocation will be available for homebuyer, owner occupied rehabilitation, and other eligible activities within DED's Annual Cycle, **with no less than \$2,005,000 per district.** Pre-applications and full applications will be due on a date to be determined.

The Annual Cycle application process includes first scoring and ranking all eligible applications. The highest scoring application in each of three Congressional Districts will be recommended for award. After the highest scoring application in each Congressional District has been designated the remaining applications will be ranked statewide, with the highest scoring applicants being recommended for award with consideration for ensuring that no less than 30% of the NAHTF allocation is provided to each of the three congressional districts. **If there are not enough feasible projects in any of the separate pools of funding, the remaining funds will be moved into another funding pool within the same district, in order to fund viable projects.**

For purposes of determining proper Congressional District allocation, at the time of application submittal each applicant must designate which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District. **No applicant may have more than one application for the same activity within any target area (i.e. owner occupied rehab, purchase, rehab, resale, rental, etc. must have defined boundaries that do not overlap in service areas and/or target areas).**

For statewide or regional programs, at the time of application submittal it will also be necessary for the applicant to select which Congressional District their project will primarily be located in, but each applicant will not be restricted to only working within a single Congressional District.

The Department reserves the right to add additional resources to the specified allocation amount to fully fund projects that otherwise might not be able to be fully funded. The Department will maintain the required 30% Congressional District allocation. DED reserves the

right to fund or not fund applications based on the status of other federal and state funding sources involved in the project and any conditional reservations of funds, regardless of ranking.

4. ELIGIBLE APPLICANTS AND ACTIVITIES

4.1 ELIGIBLE APPLICANTS

A variety of projects can be funded with NAHTF resources. DED will award funds to eligible local governments, local or regionally-based nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), public housing authorities, and other eligible entities to carry out quality housing programs and projects that meet the State objectives for the NAHTF programs.

4.2 ELIGIBLE ACTIVITIES

As provided in Section 58-706 of the Act, the activities noted below are eligible for assistance using NAHTF resources within the eligible project activities as noted within the 2017 Application Guidelines. If any activity is not noted within the list below, please consult a housing Program Representative in order to determine if any other proposed activities are eligible for the program.

1. New construction, rehabilitation, or acquisition of housing to assist low-income and very low-income families;
2. Matching funds for new construction, rehabilitation, or acquisition of housing units to assist low-income and very low-income families;
3. Technical assistance, design and finance services, and consultation for eligible nonprofit community or neighborhood-based organizations involved in the creation of affordable housing;
4. Matching funds for operating costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's ability to produce affordable housing;
5. Mortgage insurance guarantees for eligible projects;
6. Acquisition of housing units for the purpose of preservation of housing to assist low-income or very low-income families;
7. Projects making affordable housing more accessible to families with elderly members or members who have disabilities;
8. Projects providing housing in areas determined by the Department of Economic Development to be of critical importance for the continued economic development and

economic well-being of the community and where, as determined by the department, a shortage of affordable housing exists;

9. Infrastructure projects necessary for the development of affordable housing;
10. Downpayment and closing cost assistance;
11. Demolition of existing vacant, condemned, or obsolete housing or industrial buildings or infrastructure;
12. Housing education programs developed in conjunction with affordable housing projects. The education programs must be directed toward:
 - (a) Preparing potential home buyers to purchase affordable housing and post purchase education;
 - (b) Target audiences eligible to utilize the services of housing assistance groups or organizations; and
 - (c) Developers interested in the rehabilitation, acquisition, or construction of affordable housing;
13. Support for efforts to improve programs benefiting homeless youth; and
14. Vocational training in the housing and construction trades industries by nonprofit groups.

4.3 ALLOCATION FUNDING

Nebraska Affordable Housing Trust funds are allocated equally to each of the three U.S. Congressional Districts (also known as CDs) in an amount equal to no less than 30% of the amount of NAHTF funds available in a given Program Year. The remaining 10% of funds available will be allocated statewide. Generally, applications that meet all threshold requirements and rank highest within their Congressional District shall receive either a Notice of Award or a Notice of Conditional Award, subject to the amount of funds available for that District. DED reserves the right to fund or not fund applications based on the status of other federal and state funding sources involved in the project and conditional reservations of funds, regardless of ranking. DED will determine the most appropriate funding source and amount for the proposed project or program.

4.4 ALLOCATION AWARD PROCESS

DED may provide a Notice of Conditional Award with the condition that the applicant transfer the project to another DED determined eligible applicant. The newly identified eligible recipient must complete all requirements for the identified funding source as a Condition of Award. Applications recommended for approval through this process will be presented to the Housing and Community Development (HCD) Division Director for consideration of recommending an award to the Director of the Department of Economic Development. The HCD Director has the authority to ask for reconsideration of the award recommendation. The Director of the

Department of Economic Development has the final decision making authority. The HCD Director may make awards for non-profit operating assistance and predevelopment on the Department Director's behalf. All actions will be in compliance with the submission and selection criteria as noted within the NAHTF Application Guidelines.

5. FUNDING CATEGORIES

The 2017 Trust Fund cycles include the following categories for funding based on the total NAHTF allocation. DED will begin to review all applications after they are received on the specified due date as defined within the Application Guidelines. The Application Guidelines for each project category will include a description of threshold requirements and scoring criteria. The Application Guidelines will be made available on the DED website in **January 2017**.

5.1 HOMEBUYER

NAHTF resources will be available to eligible applicants for activities to assist homebuyers.

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. Homebuyer projects funded will be for a **recommended 24-month period, with New Construction and Purchase, Rehab, Resale projects having a recommended 36-month period.** Applications may include any of the following activities:

1. Down Payment and Closing Cost Assistance, for existing or new single family residential units;
2. Purchase, Rehabilitation, and Resale (PRR), including acquisition, infrastructure, development subsidy, and/or down payment assistance;
3. New Construction of single family residential units, including land acquisition, infrastructure, development subsidy, and/or down payment assistance;
4. Acquisition/Rehabilitation, including assisting the homebuyer to acquire the home and rehabilitation of the home to meet standards within 6 months of occupancy;
5. Short-term Purchase, Rehabilitation, Lease, and Resale (PRLR), including acquisition, and/or infrastructure, development subsidy; and
6. Demolition, as a support activity.

5.2 OWNER OCCUPIED REHABILITATION

NAHTF resources will be available to eligible applicants to administer owner-occupied rehabilitation (OOR) programs. Demolition is also eligible as a support activity within the OOR program.

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. OOR projects funded will be for a recommended 24-month period.

5.3 RENTAL HOUSING

NAHTF resources will be available for newly-constructed affordable rental housing; acquisition and/or rehabilitation of existing rental housing; long-term lease-purchase programs that lead to homeownership; and demolition as a support activity.

Rental projects, including new construction, acquisition and/or rehabilitation are eligible to apply in designated NAHTF cycles. (Such projects exclude those using Low-Income Housing Tax Credits (LIHTC)).

NAHTF resources are available to local or regional nonprofit 501(c)(3) or 501(c)(4) housing organizations (including reservation-based non-profit organizations), units of general local government, and public housing authorities. Rental projects funded will be for a 36-month period.

5.4 NON-PROFIT OPERATING ASSISTANCE

NAHTF resources will be available to eligible applicants for non-profit operating assistance. The primary purpose of these funds is to increase and maintain the capacity of an organization to produce affordable housing.

NAHTF resources are available to local, regional, and reservation-based nonprofit 501(c)(3) or 501(c)(4). NOTE: Ongoing rental project operating expenses are not eligible for these funds.

5.5 OTHER ELIGIBLE ACTIVITIES

NAHTF funds are available to eligible entities for other eligible activities as defined in the Nebraska Affordable Housing Act [Sections 58-701 to 58-711].

6. SELECTION CRITERIA

The State's objective for using NAHTF resources is to invest funds in quality projects and programs for quality communities so that local governments and nonprofit organizations can leverage private financing to provide permanent, energy efficient, affordable housing for low income persons throughout the state. The selection criterion below furthers the State's housing objective.

The application deadlines and review processes will be consistent for project-specific activities. This includes: specific selection criteria for homebuyer, owner occupied rehabilitation and other eligible activities; specific selection criteria for rental housing; and specific selection criteria for non-profit operating assistance activities.

The Application Guidelines will contain separate chapters specific to housing categories including: Homebuyer; Owner-Occupied Rehabilitation; Rental Housing; and Non-profit Operating Assistance. Applications for *other eligible activities* should be designed within the framework of the above application chapters.

Project-specific applications for the Homebuyer, Owner-Occupied Rehabilitation, and other activities will be scored in a single pool of applications within the Annual Cycle.

Rental Housing applications will be scored in a separate pool of applications during the Annual Cycle.

Non-profit Operating Assistance applications will be scored in a separate pool of applications during the Annual Cycle.

Each application, regardless of activity pool, will be scored according to a scoring matrix. Each matrix will contain a *Demonstrates Desired Results* section and a *Probability of Producing Desired Results* section. The *Demonstrates Desired Results* section will include questions that relate to: the need for the project; and the expected impact resulting from the project. The *Probability of Producing Desired Results* section will include questions that relate to: the feasibility of the project; the capacity of the applicant and administrator to complete a quality project in a timely manner; and the development of effective Program Guidelines/Project Design for the project.

Questions may include, but would not be limited to: a community's need for the project; whether the project is located within a region with community development and employment opportunities; whether the project has additional financial commitments and significant collaboration; and whether project costs are appropriate. Specific questions will be detailed within the 2017 Annual Cycle Application Guidelines.

6.1 SELECTION SUMMARY

Below is a summary of the proposed general scoring sections within the project-specific housing Chapters (Homebuyer, Owner Occupied Rehab, and Rental) and the Non-profit Operating Assistance. Specific details regarding the Annual Cycle application process, including the complete set of questions and requirements for each application, will be made available to applicants in **January 2017** within the 2017 NAHP Housing Application Guidelines.

The total points available for any given application will be 1,000 points for the project-specific applications for the Homebuyer Program, Owner-Occupied Rehabilitation, and Rental projects. Applicants are required to meet all the threshold requirements in order to be scored and considered for an award recommendation.

6.2 HOMEBUYER, OOR, AND OTHER ELIGIBLE ACTIVITIES REVIEW CRITERIA SUMMARY

Selection Criteria Matrix for the Homebuyer, OOR, and Other Eligible Activities			
Characteristic	Criteria	Points Possible	Points Awarded
I. Demonstrates Desired Results			
	a) Need	300	
	b) Impact	200	
Demonstrates Desired Results Total	Possible Points	500	
II. Probability of Producing Desired Results			
	a) Project Financing	125	
	b) Collaboration	75	
	c) Credit	50	
	d) Readiness/Capacity	250	
Probability of Producing Desired Results Total	Possible Points	500	
Demonstrates Desired Results Total + Probability of Producing Desired Results Total	Total Possible Points	1,000	

For each of the two project-specific housing categories related to the Homebuyer Program and Owner-Occupied Rehabilitation, specific application questions will be developed within the 2017 Application Guidelines. In general, these chapters will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding: **Project Financing**; Collaboration; Credit; and Readiness/Capacity.

6.3 RENTAL REVIEW CRITERIA SUMMARY

Selection Criteria Matrix for Rental			
Characteristic	Criteria	Points Possible	Points Awarded
I. Demonstrates Desired Results			
	a) Need	200	
	b) Impact	200	
Demonstrates Desired Results Total	Possible Points	400	
II. Probability of Producing Desired Results			
	a) Project Financing	100	
	b) Collaboration	100	
	c) Credit	50	
	d) Readiness/Capacity	100	
	e) Project Design	250	
Probability of Producing Desired Results Total	Possible Points	600	
Demonstrates Desired Results Total + Probability of Producing Desired Results Total	Total Possible Points	1,000	

Rental applications will be scored in a separate pool of applications during the Annual Cycle application processes.

For the project-specific housing category related to Rental, specific application questions will be developed within the 2017 Application Guidelines. In general, these chapters will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding: Project Financing; Collaboration; Credit; Readiness/Capacity; and Project Design.

The total points available for any given application will be 1,000 points for the project-specific applications for the Rental projects. Applicants are required to meet all the threshold requirements, in order to be scored and considered for an award recommendation.

6.4 NON-PROFIT OPERATING ASSISTANCE REVIEW CRITERIA SUMMARY

The total points available for any given application will be 1,000 points for the Non-Profit Operating Assistance applications. Applicants are required to meet all the threshold requirements, in order to be scored and considered for an award recommendation.

Selection Criteria Matrix for Non-Profit Operating Assistance			
Characteristic	Criteria	Points Possible	Points Awarded
I. Demonstrates Desired Results			
	a) Need	200	
	b) Impact	300	
Demonstrates Desired Results Total	Possible Points	500	
II. Probability of Producing Desired Results			
	a) Collaboration	200	
	b) Capacity	150	
	c) Financial Capacity	150	
Probability of Producing Desired Results Total	Possible Points	500	
Demonstrates Desired Results Total + Probability of Producing Desired Results Total	Total Possible Points	1,000	

Non-profit Operating Assistance applications will be scored in a separate pool of applications during the Annual Cycle application processes.

Application Guidelines for the Non-profit Operating Assistance Chapter will have two scoring sections that include: I.) Demonstrates Desired Results and II.) Probability of Producing Desired Results. The Demonstrates Desired Results section includes: Need; and Impact. The Probability of Producing Desired Results section will have questions regarding: Collaboration; Capacity; and Financial Capacity.

The final application questions developed will be made available within the 2017 NAHP Application Guidelines.

7. ANNUAL CYCLE APPLICATION PROCESS SUMMARY

Application Guidelines will be posted on the Department's website to aid in the application process. Application Workshops will also be provided which include an informal presentation and discussion about the application process with interested applicants, application preparers, and DED staff. Attendance is optional, but highly encouraged. Attending a workshop does not substitute for working closely with a Housing Program Representative throughout the application process.

During the Annual Cycle, applicants will also be required to submit a Pre-Application in order to show their interest in applying for funds. Applicants may also submit portions of the full application to their Program Representative for additional feedback.

Full Applications must be postmarked by April 27, 2017, or delivered to the Nebraska State Office Bldg, 4th Floor with signed receipt from DED staff by 5:00 PM Central Time.

Late applications will not be accepted.

Once applications are reviewed and scored by the scoring team, the Department will determine which applicants will be invited to Contract Review. If agreements are reached, and contract review items are submitted to the Department, Award Letters will be sent out and contracts will be signed. Following this process, the applicants will submit special conditions documentation, as directed in the Contract, to obtain a Release of Funds (ROF) letter as defined within their contracts.

8. NAHTF PROGRAM INCOME

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

In general, the Department continues to provide flexibility to use program income, particularly for projects that are funded through the NAHTF program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that NAHTF program income (i.e. reuse funds) may be used for the same housing activities that were awarded within the original project in which program income was generated, or for other housing related activities. These other housing related activities include any eligible activities as defined by the Nebraska Affordable Housing Act. Any activities proposed by the grantee shall be consistent with the grantee's approved NAHTF Program Income Reuse Plan.

9. NEBRASKA COMMISSION ON HOUSING AND HOMELESSNESS

The Nebraska Commission on Housing and Homelessness (NCHH) was established by Executive Order in 1998. This commission consolidates the work of the Nebraska Affordable Housing Commission, the Nebraska Interagency Council on the Homeless, and the Affordable Housing Trust Advisory Committee, and recognizes the strong link among housing, homelessness, and near homeless issues.

The Commission's function is to make recommendations to DED and the Nebraska Department of Health and Human Services (DHHS) on the operation of the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF) respectively; serve as an advisory body on housing and homelessness; assist with education, advocacy, coordination and cooperation; and integrate recommendations from Nebraska's Consolidated Plan and Annual Action Plan (for CDBG, HOME, ESG, and HOPWA) with other statewide strategic planning initiatives that involve affordable housing, homelessness, and other housing issues.

The Department will work with the NCHH during the development of the Qualified Allocation Plan. This includes working with the Policy and Issues Committee, a part of NCHH, with draft information related to funding allocations and selection criteria.

10. AMENDMENTS TO THE QUALIFIED ALLOCATION PLAN

The Department of Economic Development reserves the right to make changes to the Nebraska Affordable Housing Act QAP at the Department's discretion.

If the Department determines that it is necessary to amend the QAP, the proposed amendment will be submitted to the Director of the Department of Economic Development for review and approval. If approved by the Director, the proposed amendment will be made available on the Department's website at www.neded.org for a fourteen (14) day public review and comment period. At the end of the fourteen (14) days, the Department will consider any public input provided, and then the Director will issue final approval on the amendment. The QAP, including any amendments, will be made available on the Department's website at: www.neded.org.

11. HOUSING CONTACT INFORMATION:

Nebraska Department of Economic Development
301 Centennial Mall South
P.O. Box 94666
Lincoln, NE 68509-4666
(800) 426-6505
www.neded.org

**Proposed
Nebraska Affordable Housing Act
Qualified Allocation Plan (QAP)
2017**

12. EXHIBITS

Exhibit 12.1 SCORING MATRIX AND APPLICATION QUESTIONS

FOR THE FULL APPLICATION QUESTIONS, PLEASE REFER TO THE FULL 2017 APPLICATION GUIDELINES. THESE CAN BE FOUND ON THE NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT WEBSITE IN JANUARY 2017. BELOW ARE THE CHANGES TO THE PROJECT FINANCING QUESTION, WHICH WAS PREVIOUSLY TITLED LEVERAGE.

Project Financing

Describe the actual financial commitment of matching funds, leveraged funds, and/or in-kind contributions that will be incorporated into the project.

- a) Matching funds are resources used within the project and are included in the contract budget. Matching funds are unrestricted cash contributions committed at the time of application. Unrestricted cash contributions is cash available at time of contract to be used on the project and shown in the Sources and Uses of Funds in the contract. (Must be documented on the Part II in the Matching Funds Column).
- b) Leveraged funds are other resources used to finance the project and are not included in the contract budget. (Must be documented on the Part II in the Leveraged Funds column).
- c) In-kind contributions are additional resources or activities that enhance the project and are not included in the contract budget. In-kind funds exclude mortgages, donations, and fees from the low-income beneficiary. (Must be documented on the Part II in the In-Kind Funds Column.)

The answer should:

- Designate funds as match, leverage, or in-kind;
- Document the funding source;
- Document the designated/authorized use of the funds;
- Quantify the dollar value of the funds;
- Exclude any contributions noted within the Collaboration section; and
- Exclude NAHP Funds and NAHP Program Income.

Exhibit 12.2 ANNUAL CYCLE TIMELINE

Date	Action	Location	Responsible Parties
1/20/2017	Application Guidelines posted	www.neded.org	DED
End of February	Application Workshops	NET Statewide Locations: TBD	DED, Applicant, and Application Preparer
Beginning of March	Application Workshops	NET Statewide Locations: TBD	DED, Applicant, and Application Preparer
3/3/2017	Scanned, Signed Pre-Application for Annual Cycle Apps received BY DIGITAL UPLOAD ONLY, by 5:00PM CDT.	Upload to: https://neded.sharefile.com/r-r8670cbdbad74aa8b and email a copy to the Application Coordinator at: ded.housing@nebraska.gov	Applicant
4/27/2017	Original, Signed Hardcopy of Full Application must be postmarked by, or delivered to the Nebraska State Office Bldg, 4th Floor, with signed receipt from DED staff by 5:00 PM CDT. Scanned Copy of Full Application must also be uploaded by 5:00 PM CDT.	Lincoln DED Office: State Office Building Dept. of Economic Development 4 th Floor 301 Centennial Mall South Lincoln, NE Upload to: https://neded.sharefile.com/r-r8670cbdbad74aa8b	Applicant
TBD	Contract Review	TBD	DED, Applicant, & Application Preparer
TBD	Award Letters distributed		DED

Exhibit 12.3 Public Comments

The Proposed 2017 QAP will be released for a 30-day public comment period on November 30, 2016. A public hearing on the Proposed 2017 QAP will be held on November 30, 2016 in Lincoln, Nebraska. All comments received by the Department will be taken into consideration during the completion of the Final 2017 QAP.

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Exhibit 12.4 Nebraska U.S. House of Representatives Congressional Districts

