

AMENDMENT 1: SUMMARY OF CHANGES

Published: December 10, 2021

Updated for Record of Public Comment: January 25, 2022

This document constitutes the First Amendment (Substantial) to the State of Nebraska CDBG-DR Action Plan Severe Winter Storm, Straight-line Winds, and Flooding (DR-4420). The following changes are proposed to the Affordable Housing Construction Program (AHCP) and Homeowner Assistance Program (HAP) as described in the approved Action Plan. These changes would improve implementation of the AHCP by more fully recognizing the role of for-profit developers in executing affordable housing projects involving Low Income Housing Tax Credits (LIHTC). It will also clarify eligibility requirements for non-profit applicants under HAP to potentially expand the pool of applicants. This change allows for a non-profit applicant to apply under HAP and refer beneficiaries to HUD-certified agencies for housing counseling.

The approved program structure for AHCP awards funds to local governments, non-profit organizations, and public housing authorities each of which would, in turn, provide CDBG-DR funding to LIHTC-assisted projects via agreements with for-profit developers under the joint application option of the program. For-profit development entities were always intended to be the end recipients of the CDBG-DR funds as benefits of the LIHTC are useful only to them as opposed to the local government, non-profit, and public housing authority applicants. DED is proposing to permit for-profit development entities to apply directly for AHCP funds for multifamily projects. DED is not curtailing the ability to local governments, non-profits and public housing authorities to apply for AHCP funds and then pass the funds through to for-profit developers. The proposed changes outlined below recognize the lack of clarity in the Action Plan on the role of for-profit developers. These changes will promote more effective implementation of the AHCP.

DED published the Proposed Substantial Amendment on December 10, 2021. DED held a public comment period from December 10, 2021, to January 10, 2022. No comments were received.

The following bullets identify the specific changes to be made to the Action Plan by the Substantial Amendment:

- 5.2.2 Affordable Housing Construction Program – Eligible Applicants
 - Eligible applicant list expanded to include “Developers, including both non-profit and for-profit”.
 - Clarification that DED will issue one or more Notices of Funding Opportunity, and eligible applicants will enter into funding agreements with DED upon award.
- 5.2.2 Affordable Housing Construction Program – Program Administration
 - Clarification added regarding program administration:

- “For most development activities, DED will directly award funds (typically in the form of a loan) to developers, including non-profit or for-profit entities. In other cases, local government, PHA, and nonprofit applicants may be designated as subrecipients. Subrecipients will operate as the primary administrative entity of their respective grants from DED, in turn sub-awarding CDBG-DR funds to the actual ownership entity developing the housing (typically in the form of a loan).”
- “In all cases, DED will maintain regular oversight and reporting with all funded entities (whether designated from a regulatory standpoint as developer or subrecipient). DED will conduct regular auditing and monitoring of all counterparties to ensure that the program’s policies and procedures are being followed appropriately.”
- 5.2.2 Affordable Housing Construction Program – Administering Entity
 - Revised to reflect that funding will also be administered to applicants that include for-profit developers of rental housing. Note that for-profit development entities will be managed in a process that is distinct from structures designated for Subrecipients.
 - For-profit development entities will be referenced as “applicants,” even if they are selected for funding under the Affordable Housing Construction Program.
- 5.2.3 Homeowner Assistance Program
 - Under Eligible Applicants, clarify non-profit eligibility by removing requirement that the non-profit is approved to provide housing counseling, homeownership education, and homebuyer programs.
- 6.4.2 Citizen Participation
 - The Citizenship Participation Plan, which is now outdated, was removed and replaced with the following language: “The current, approved Citizen Participation Plan can be found at: https://opportunity.nebraska.gov/program/cdbg_dr/”.

Total allocations defined within the approved Action Plan will remain the same under the First Amendment (Substantial). DED will undertake necessary revisions to policies and procedures to implement changes made by this Substantial Amendment.

RECORD OF PUBLIC COMMENT

30-DAY PUBLIC COMMENT PERIOD: DECEMBER 10, 2021 – JANUARY 10, 2022.

CDBG-DR PUBLIC HEARING, DECEMBER 27, 2021.

Names and organizations omitted for privacy.

The following table summarizes public comments received during the public comment period. Comments received during the public hearing are noted as such. As described in the CPP and in the press release announcing the public comment period, DED accepts public comments by mail, [email](#), or [website](#). Questions and answers are not directly transcribed and have been edited for clarity.

Person	Question	Answer
<i>Not Applicable. No Comments Received.</i>	<i>Not Applicable. No Comments Received.</i>	<i>Not Applicable. No Comments Received.</i>