

Community Development Block Grant - Disaster Recovery Program for DR-4420

Focus Group: Session 1

Housing Programs

January 20, 2022

NEBRASKA

Good Life. Great Strength.

Zoom Overview



Utilize the **chat** during the conversation.



You will be **muted** at the beginning of the meeting. Please **unmute** yourself to ask questions and provide feedback during the discussion.



We are available via email at **ded.cdbgdr@nebraska.gov** for any additional thoughts or feedback.



INTRODUCTION

OVERVIEW OF HOUSING PROGRAMS

HOMEOWNER ASSISTANCE PROGRAM

AFFORDABLE HOUSING CONSTRUCTION PROGRAM

NEXT STEPS

Introductions

Housing Programs Lead:

Christina Zink

Housing Program Manager

**Nebraska Department of
Economic Development (DED)
CDBG-DR Staff:**

Jenny B. Mason

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Community Development Specialist

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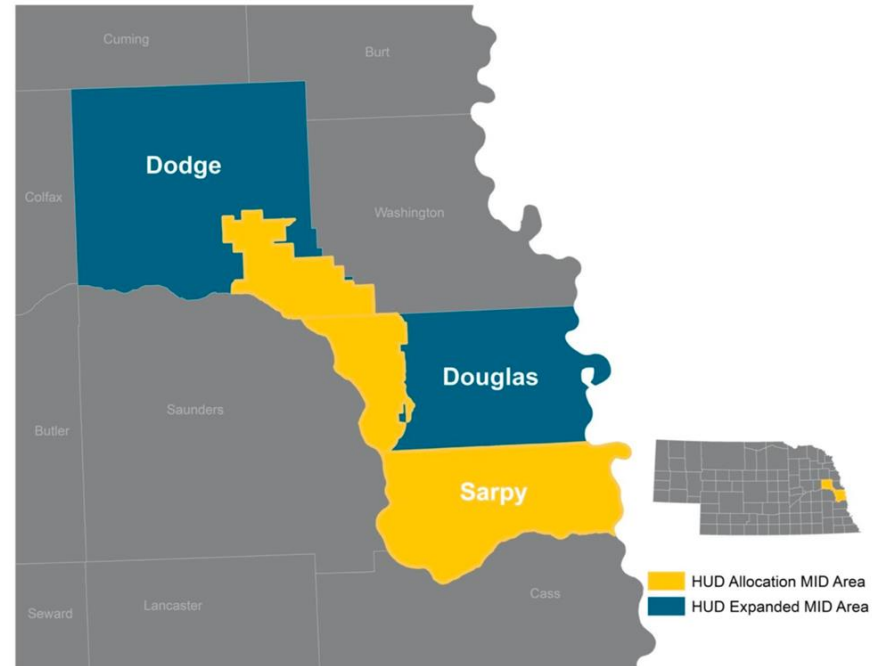
Disaster Recovery Coordinator

Meeting Objectives

- **Describe** the purpose and structure of DED's Housing Programs.
- **Provide** details regarding how funding selections will be made for the Homeowner Assistance Program and the Affordable Housing Construction Program.
- **Elicit** feedback, questions, and discussion from participants.
- **Incorporate** focus group outcomes and feedback into program implementation and design.

Introduction to CDBG-DR

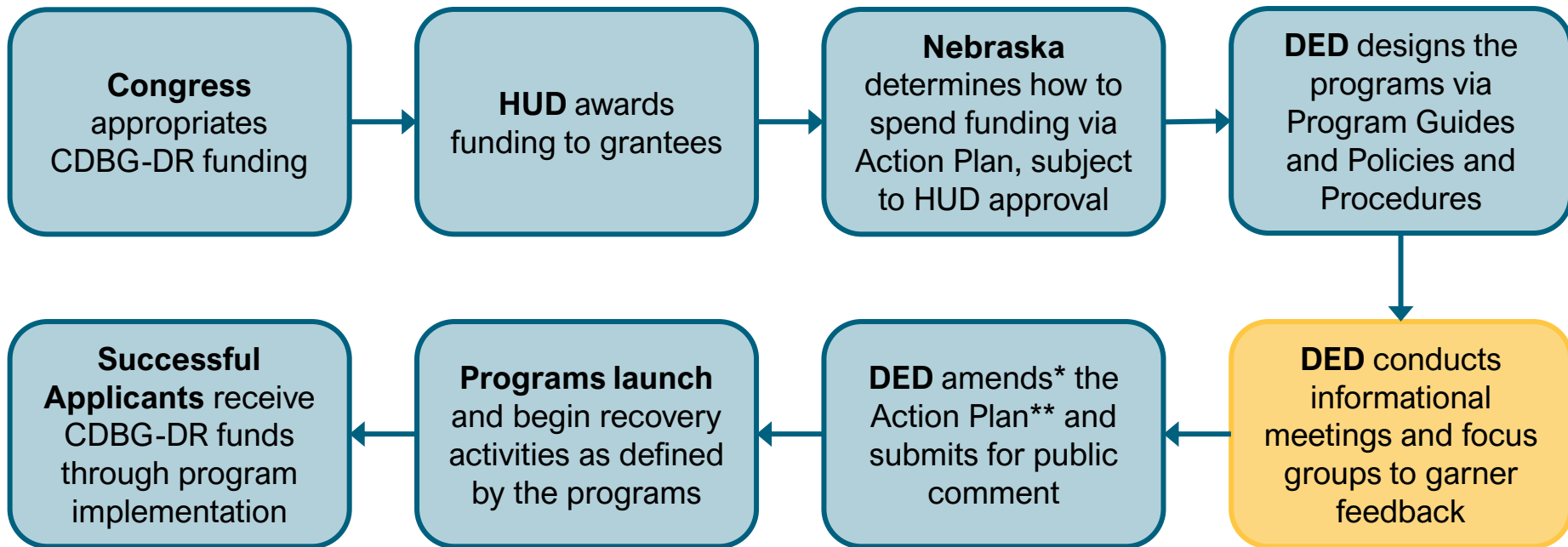
- DED manages the CDBG-DR Program for the State of Nebraska.
- HUD requires prioritizing funds in HUD-defined Most-Impacted and Distressed (MID) areas and for Low- to Moderate-Income (LMI) populations.
 - **80%** of funds must address needs in the HUD-defined MID, which includes Dodge, Douglas, and Sarpy counties.
 - **70%** of funds must support LMI populations.



Nebraska's Commitment to the Community

The State of Nebraska enforces conduct within 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, gender identity, military status, sex, disability, or marital status.

How Does the State Access CDBG-DR Funds?



* If needed

** Approval of first amendment expanded eligible applicant list to include both non-profit and for-profit developers

Focus Group Methodology

CDBG-DR FOCUS GROUPS

**INFRASTRUCTURE
PROGRAM
FOCUS GROUPS**

**HOUSING PROGRAMS
FOCUS GROUPS**

**PLANNING
PROGRAMS
FOCUS GROUPS**

THE CDBG-DR FOCUS GROUP CATEGORIES WILL MAINTAIN A CONSISTENT SEQUENCE OF TOPICS

**PROGRAM
DEVELOPMENT
FOCUS GROUPS**

**PROGRAM
PILOT
FOCUS GROUPS**

**PROGRAM
EVALUATION
FOCUS GROUPS**



INTRODUCTION

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AFFORDABLE HOUSING CONSTRUCTION PROGRAM

NEXT STEPS



HOUSING PROGRAMS

HAP

HOMEOWNER ASSISTANCE PROGRAM

The Homeowner Assistance Program (**HAP**) helps prospective homebuyers, including homeowners who lost their houses and renters with forgivable loans for gap financing (aka DPA).

\$11,000,000 in available funding

AHCP

AFFORDABLE HOUSING CONSTRUCTION PROGRAM

The Affordable Housing Construction Program (**AHCP**) funds construction and rehabilitation of both multi-family and single-family houses for LMI households.

\$26,000,000 in available funding

CDBG-DR Housing Programs





INTRODUCTION

OVERVIEW OF HOUSING PROGRAMS

HOMEOWNER ASSISTANCE PROGRAM

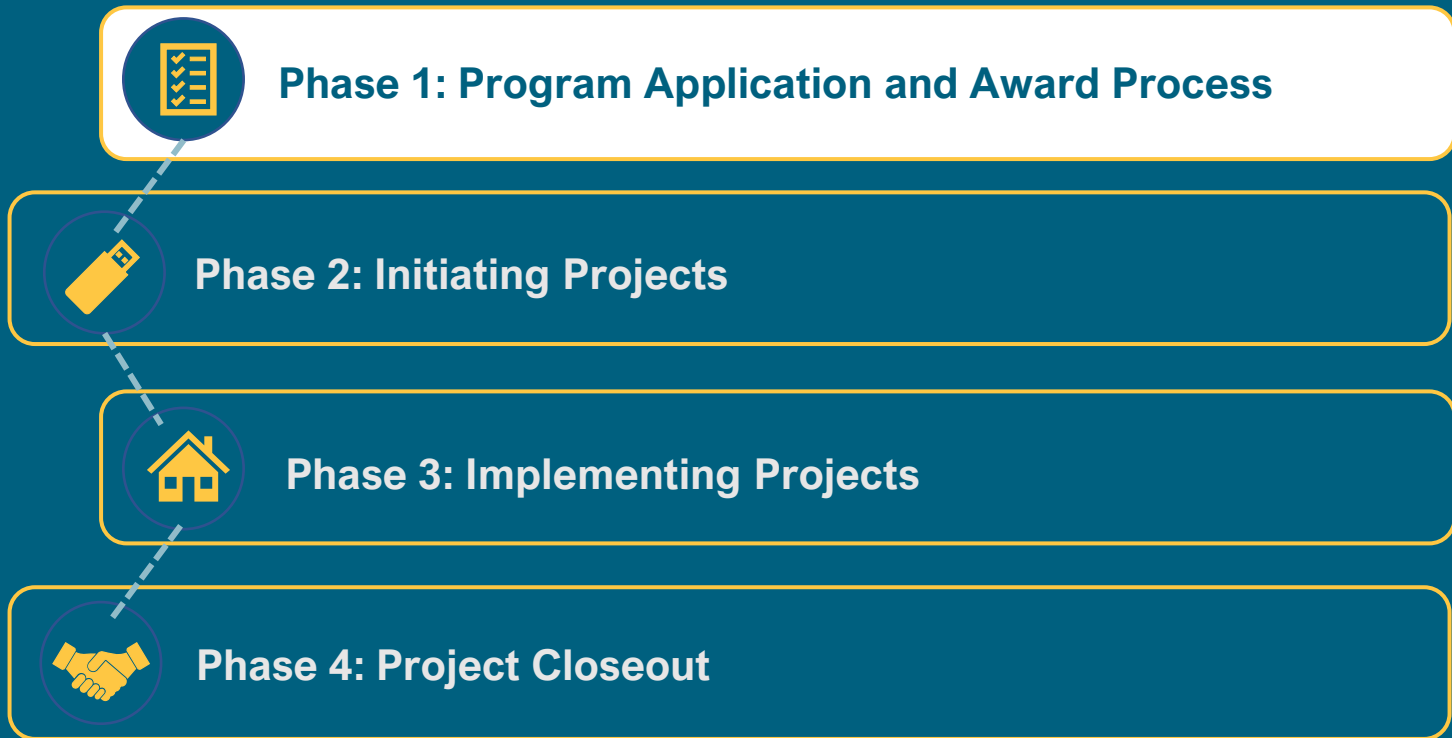
AFFORDABLE HOUSING CONSTRUCTION PROGRAM

NEXT STEPS

Homeowner Assistance Program Overview

- The Homeowner Assistance Program (HAP) provides **down payment, closing cost, and “buy down” assistance to LMI individuals**, including those who lost their homes in the 2019 floods and renters.
- DED will distribute funds to local Subrecipients, who will be responsible for managing implementation at the local level.
- Eligible beneficiaries must contribute a least 1% of the purchase price of the home.
- Eligible beneficiaries must attend a pre-purchase homebuyer counseling class provided by a HUD-approved counseling agency.

Homeowner Assistance Program Roadmap





Phase 1: Program Application and Award Process



DED Releases the Notice of Funding Opportunity



Apply for the Program via AmpliFund



Initial Review and Project Selection



Award Process



Subrecipient Agreement with DED

Who is Eligible to Become a Subrecipient?

Eligible Applicants	Units of local government (e.g., counties, cities, or villages)	
	501(c)(3) or 501(c)(4) nonprofit organizations	
Eligible Activities	Direct buyer assistance to eligible households	Award Limits
	Housing Counseling	
	Activity Delivery Costs	
		Not to exceed \$50,000* per buyer; must represent at least 80% of each Subrecipient's award.
		Not to exceed 10% of a Subrecipient's award.
		Not to exceed 15% of a Subrecipient's award.

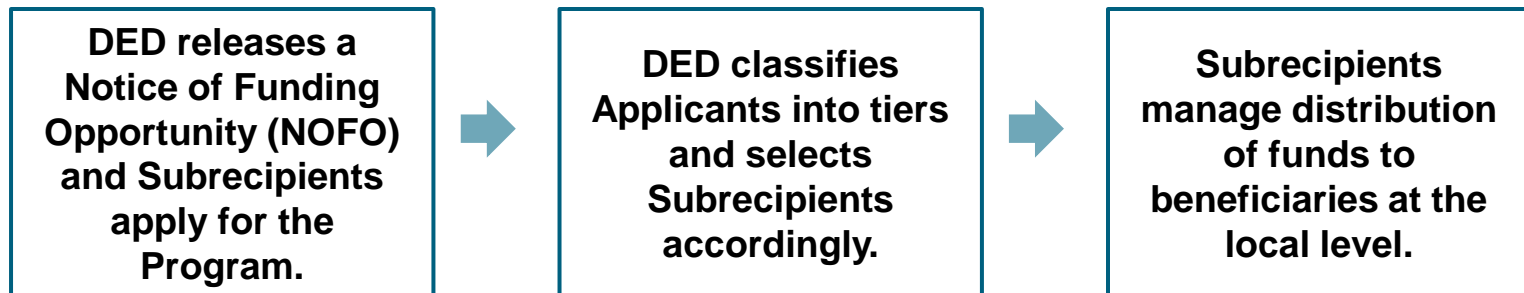
* Note that per the Action Plan, the maximum award is \$150,000. Based on its analysis of unmet needs, DED has identified \$50,000 as the appropriate program cap to maximize the total number of buyers assisted.

Who is Eligible to Receive Assistance?

- To be **successful** homeowners, participating buyers must be:
 - Mortgage-ready; and
 - Income-eligible.
- To be income-eligible, the prospective buyer must have a gross household income of **at least 40%** and **no more than 80%** of the Area Median Income (AMI).
- All adult household members who hold title and/or are party to the senior mortgage must complete a **pre-purchase counseling** provided by a HUD-certified counseling agency.

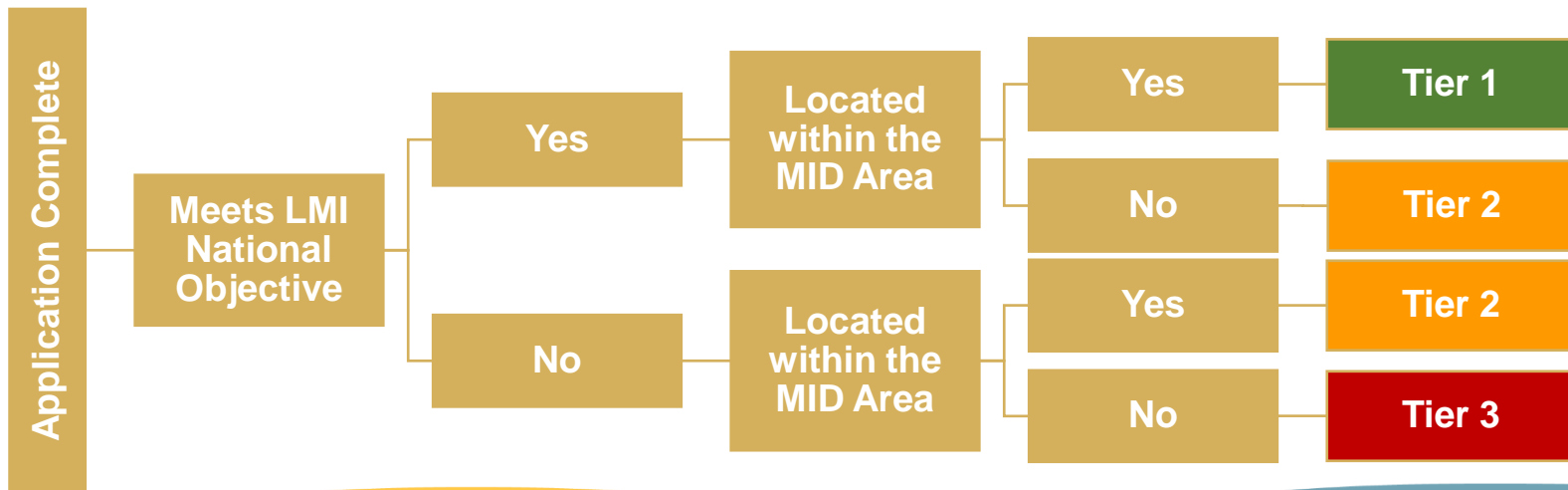
How Do I Apply to Become a Subrecipient?

- DED will issue one or more Notices of Funding Opportunity (NOFOs) inviting applications from potential Subrecipients.
- The NOFO will outline both threshold and competitive criteria, including organizational capacity.
- Awards will be made on a competitive basis.



How Will HAP Subrecipients be Selected?

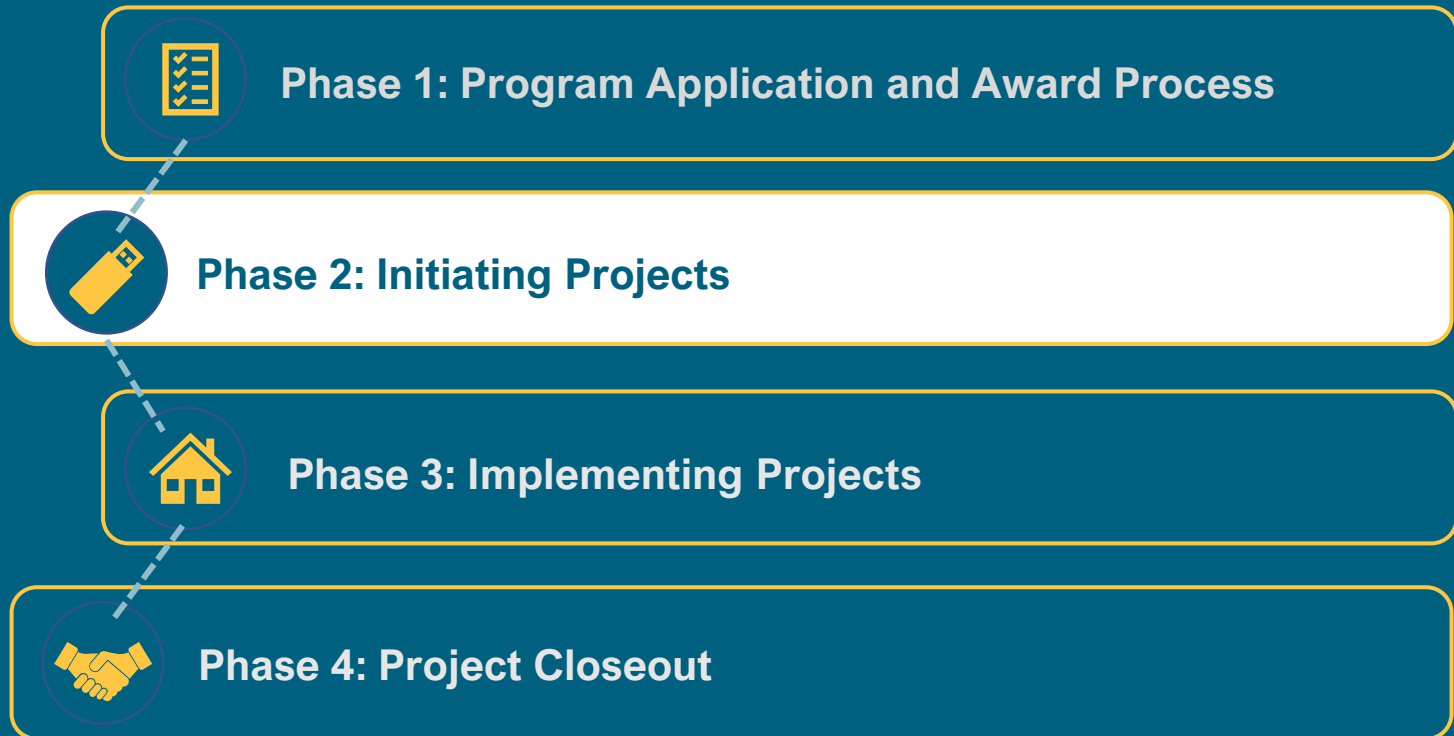
- Applications will be classified in three tiers:
 - **Tier 1:** Project is in a HUD-identified MID area **and** meets the LMI National Objective.
 - **Tier 2:** Project is in a HUD-identified MID area **or** meets the LMI National Objective.
 - **Tier 3:** Project is not located in a HUD-identified MID area and does **not** meet the LMI National Objective.





HAP BREAKOUT DISCUSSION #1

Homeowner Assistance Program Roadmap





Phase 2: Initiating Projects



Recordkeeping and Data Management



Subrecipient Reporting Requirements



Financial Management

Recordkeeping and Data Management



AmpliFund

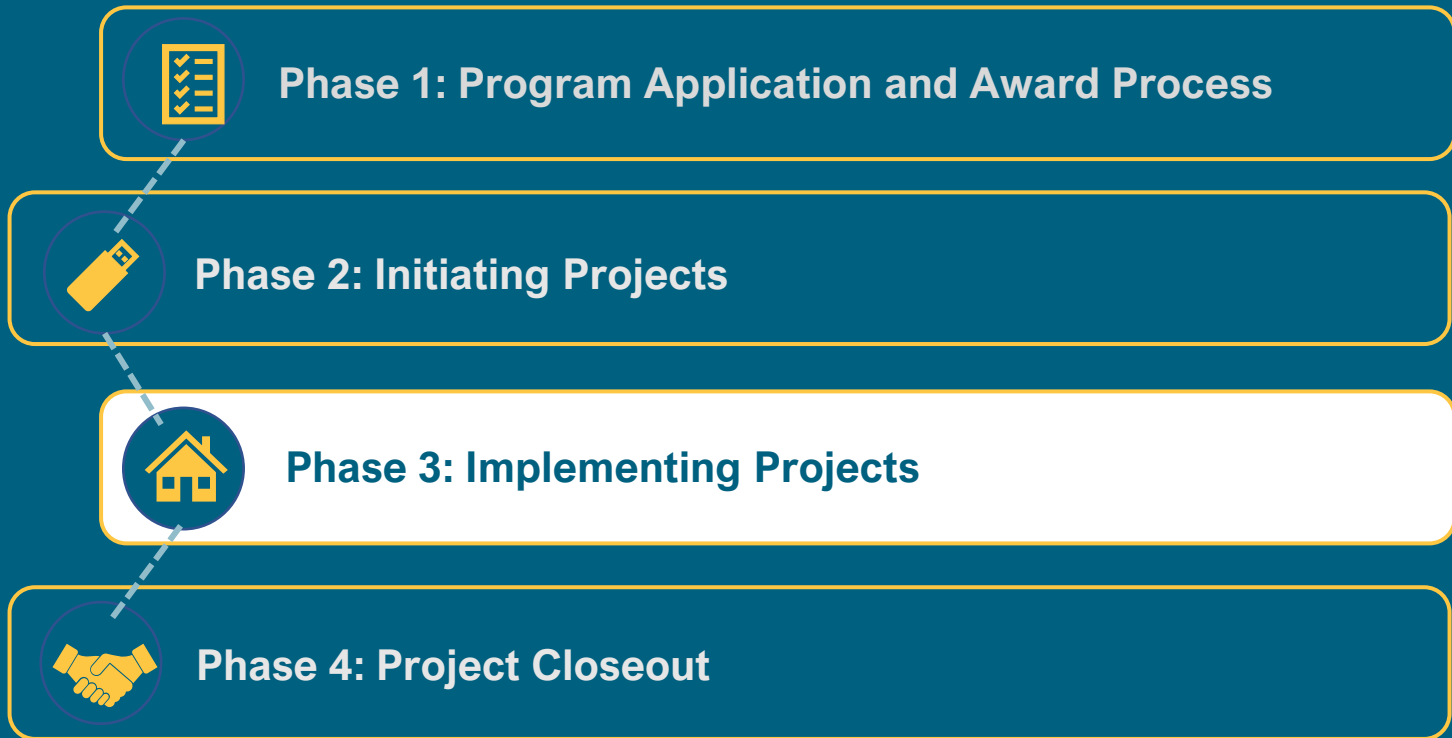


Quarterly Reports



**Financial Reporting
Requirements**

Homeowner Assistance Program Roadmap





Phase 3: Implementing Projects



Project-Specific Milestones



Marketing and Outreach



Cross-Cutting Requirements



Subrecipient Monitoring and Compliance



Ongoing DED Monitoring

Cross-Cutting Requirements



**Fair Housing and
Equal Opportunity**



Labor Standards



Property Standards



**Environmental
Review**



**Relocation
Requirements**



**Minority – and
Women- Owned
Business
Enterprises**



Section 3



**Duplication of
Benefits**



**Green Building
Standards**



Procurement

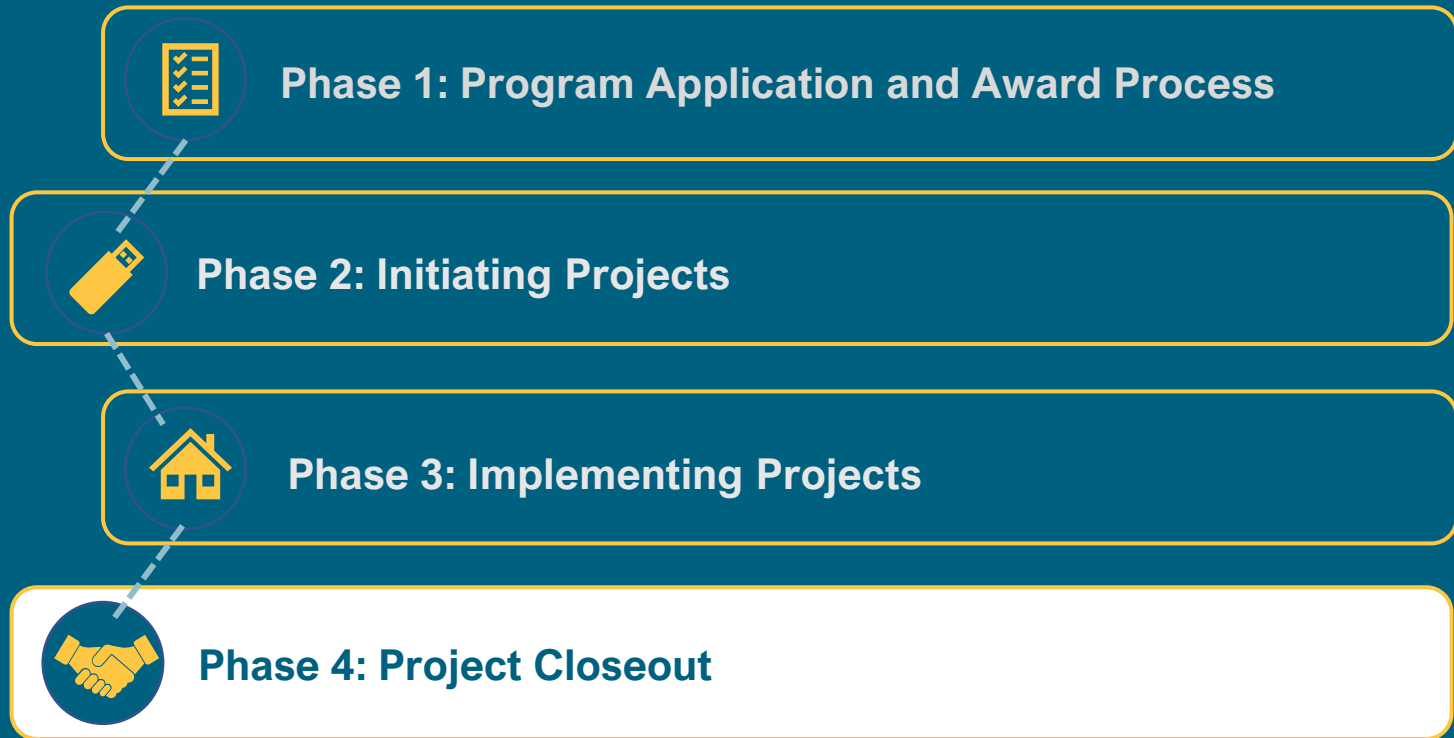
Ongoing DED Monitoring

- Subrecipients will be monitored through **desktop monitoring** and may be subject to **on-site monitoring**.

Desktop Monitoring	On-site Monitoring
<ul style="list-style-type: none">• Request documentation from Subrecipient.• Review collected documentation for compliance with CDBG-DR requirements.• Issue a Monitoring Report identifying areas of review, areas of weakness, areas of merit and recommendations for corrective action.	<ul style="list-style-type: none">• Review project and program files for compliance with CDBG-DR compliance.• Interview Subrecipient staff, or consultants as appropriate.• Issue a Monitoring Report identifying areas of review, areas of weakness, areas of merit, and recommendations for corrective action.

All Subrecipient programs will be monitored at least once prior to closeout. Frequency and type of monitoring is based on the results of the annual risk assessment.

Homeowner Assistance Program Roadmap





Phase 4: Project Closeout



Closeout Preparation



Records Retention



HAP BREAKOUT DISCUSSION #2



INTRODUCTION

OVERVIEW OF HOUSING PROGRAMS

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NEXT STEPS

Affordable Housing Construction Program

- The Affordable Housing Construction Program (AHCP) funds construction and rehabilitation of both multi-family and single-family homes for LMI families. There are three sub-programs:
 - Homeownership Production Program;
 - Small Non-LIHTC Rental Production Program; and
 - LIHTC Gap Financing Program.
- DED will distribute funds to local Subrecipients or Successful Applicants (i.e., for-profit developers), who will be responsible for managing implementation at the local level.

Affordable Housing Construction Program

Affordable Housing Construction Program		
Homeownership Production Program	Small Non-LIHTC Rental Production Program	LIHTC Gap Financing Program
<p>All programs provide financing to support production of affordable housing.</p>		
<ul style="list-style-type: none"> • Available for affordable for-sale housing targeted primarily to LMI buyers. • Financing includes funding for appraisal gaps and affordability gaps. 	<ul style="list-style-type: none"> • Available for affordable multifamily rental housing not otherwise seeking LIHTCs. • Financing includes gap or primary financing. 	<ul style="list-style-type: none"> • Available for affordable multifamily housing simultaneously seeking a LIHTC award from NIFA. • Financing includes gap financing.

Affordable Housing Construction Program Roadmap



Phase 1: Program Application and Award Process



Phase 2: Initiating Projects



Phase 3: Implementing Projects



Phase 4: Project Closeout



Phase 1: Program Application and Award Process



Eligibility Criteria



AmpliFund Access



Initial Review and Project Selection



Award Process



Agreement with DED

Who is Eligible?

- Collectively, the following entities are eligible to apply for the Affordable Housing Construction Program:

Eligible Entities

- Developers of affordable rental housing.
- For-profit sponsors.
- Units of local government (e.g., counties, cities, or villages).
- 501(c)(3) or 501(c)(4) nonprofit organizations, PHAs

Developers vs. Subrecipients

- In CDBG-DR, “role” of funded party is central to whether and how various regulatory requirements apply, especially uniform administrative requirements, including procurement, method of compensation, and single audit.
- **Subrecipients** are subject to uniform requirements, can only be reimbursed for actual activity delivery costs that are supported by appropriate records (e.g., detailed timekeeping), single audit may be triggered.
- **Developers** are not directly subject to uniform requirements, often engage related parties (e.g., general contractor or management agent), may receive a “developer fee,” and not subject to a single audit.

Public Entity	<ul style="list-style-type: none">• Must be a subrecipient
Nonprofit Entity	<ul style="list-style-type: none">• May be a subrecipient or a developer, at DED’s discretion
For Profit Entity	<ul style="list-style-type: none">• Must be a developer

How Do I Apply for AHCP?

Joint LIHTC

DED makes CDBG-DR funding available via annual LIHTC application.



Applications are received and DED classifies Applicants into tiers.



Subrecipients and Successful Applicants are selected and manage projects.

DED-Managed Projects

- DED will issue one or more Notices of Funding Opportunity (NOFOs) or LIHTC applications inviting applicants from eligible entities.
- The NOFO will outline both threshold and competitive criteria.
- Awards will be made on a competitive basis.

DED releases a NOFO, and Applicants apply for the Program.



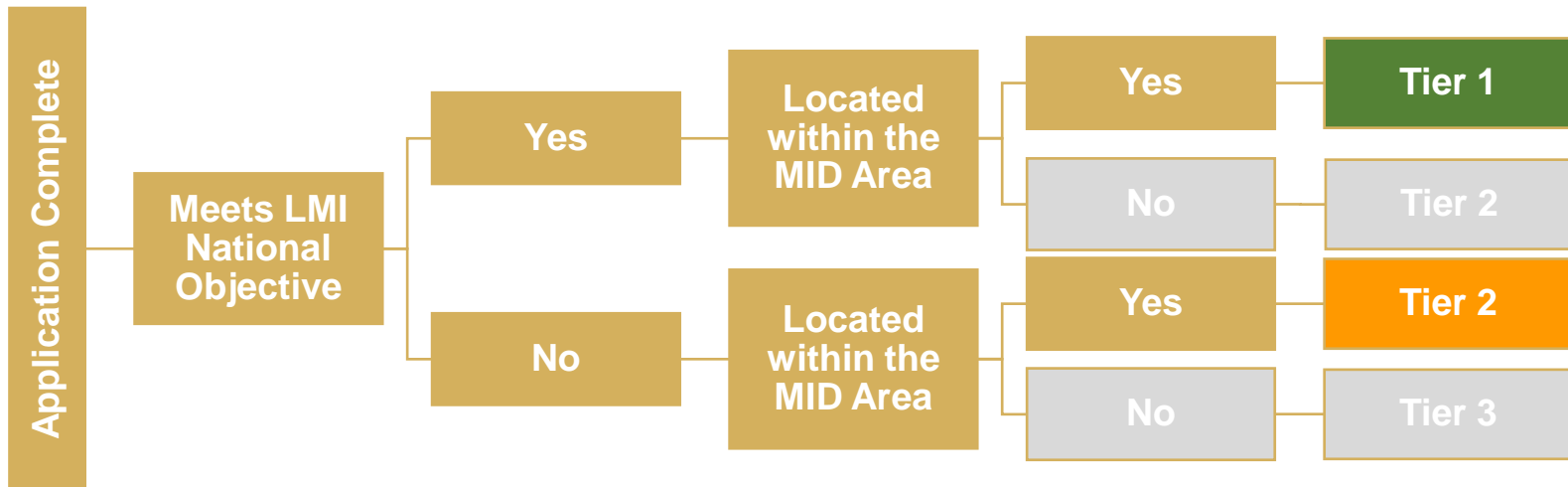
DED classifies Applicants into tiers to inform funding selections



Successful Applicants manage development and sale/leasing of projects at the local level.

How Will Projects be Selected?

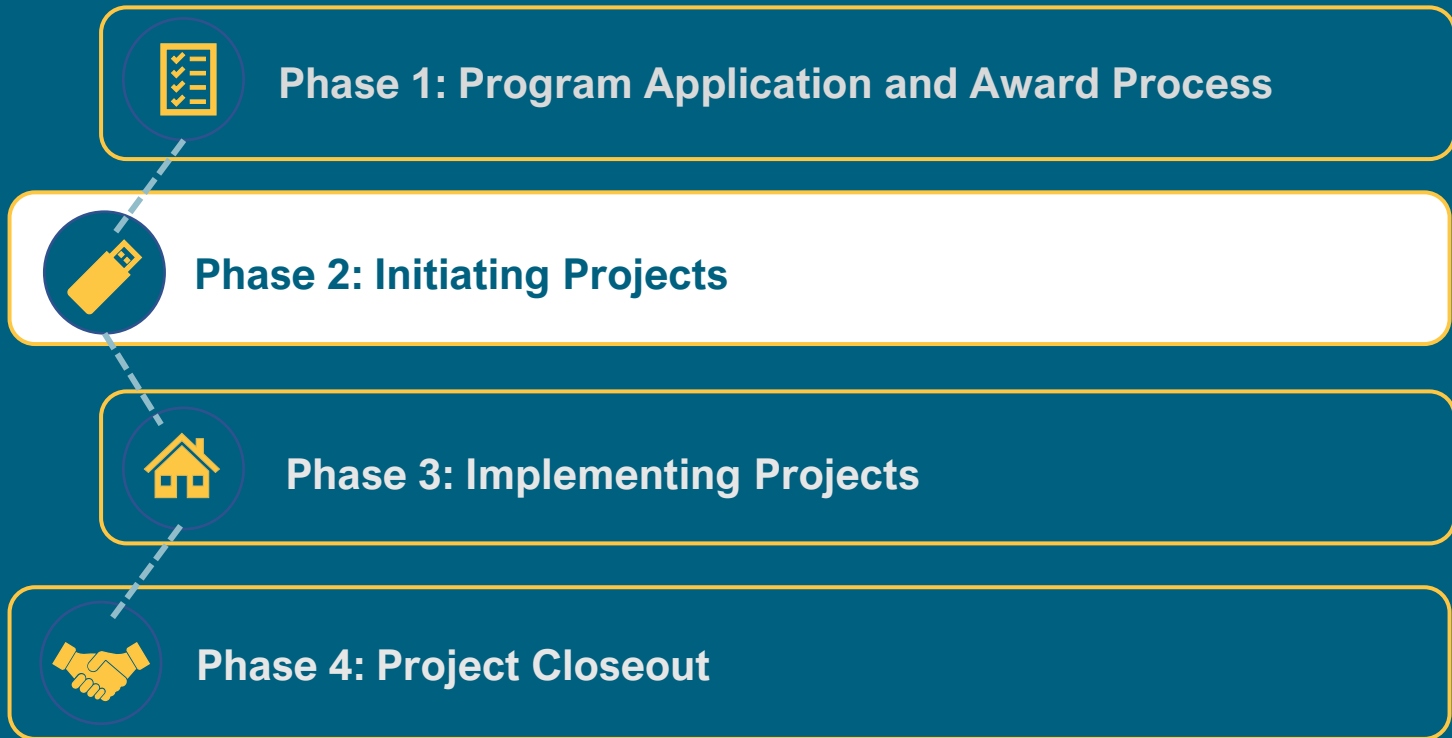
- Applications will be classified in tiers:
 - **Tier 1:** Project is in a HUD-identified MID area **and** meets the LMI National Objective.
 - **Tier 2:** Project is in a HUD-identified MID area but does not meet the LMI National Objective.
 - **Tier 3:** Project is not located in a HUD-identified MID area and does **not** meet the LMI National Objective.
- **AHCP is limited exclusively to projects in the MID area**





AHCP BREAKOUT DISCUSSION #1

Affordable Housing Construction Program Roadmap





Phase 2: Initiating Projects



Recordkeeping and Data Management



Reporting Requirements



Financial Management

Recordkeeping and Data Management



AmpliFund

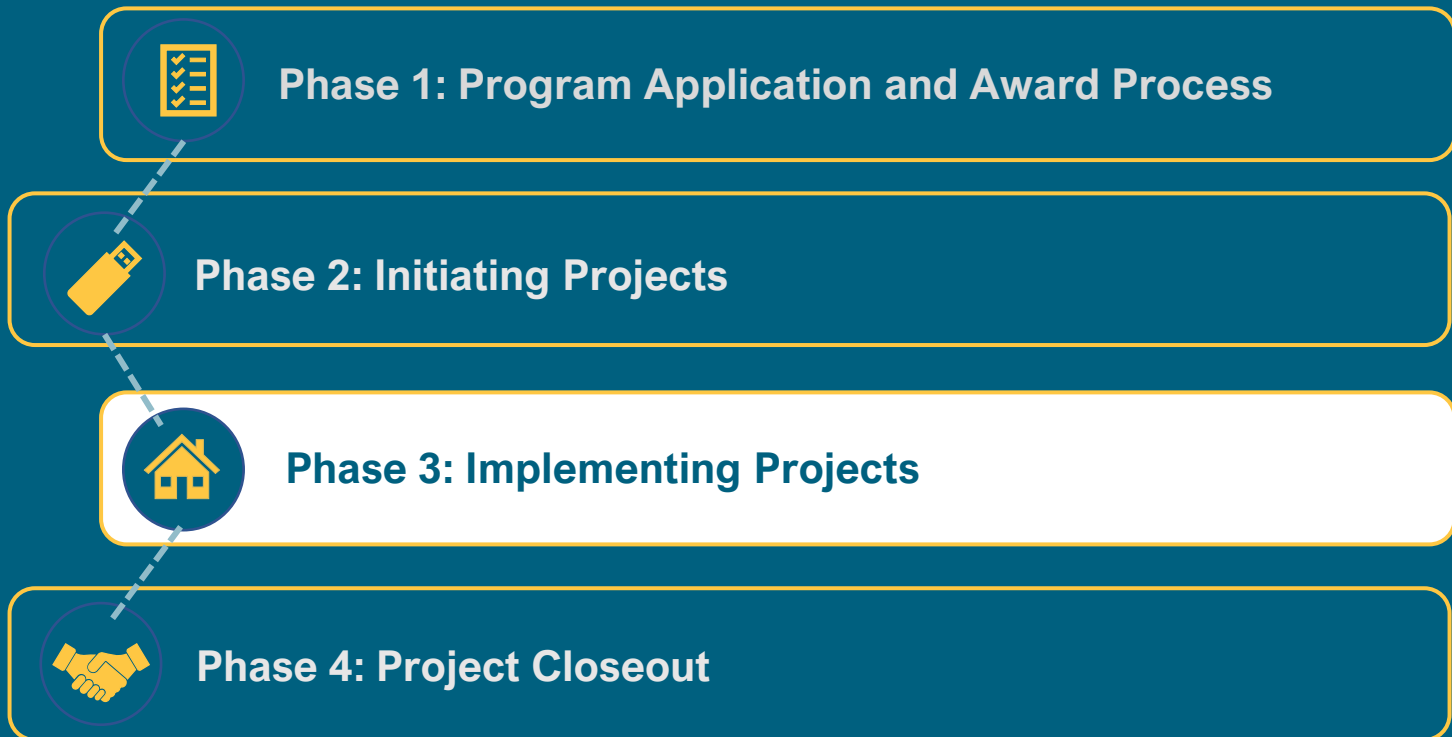


Quarterly Reports



**Financial Reporting
Requirements**

Affordable Housing Construction Program Roadmap





Phase 3: Implementing Projects



Project-Specific Milestones



Marketing and Outreach



Cross-Cutting Requirements



Monitoring and Compliance



Ongoing DED Monitoring

Cross-Cutting Requirements



**Fair Housing and
Equal Opportunity**



Labor Standards



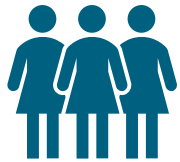
Property Standards



**Environmental
Review**



**Relocation
Requirements**



**Minority – and
Women- Owned
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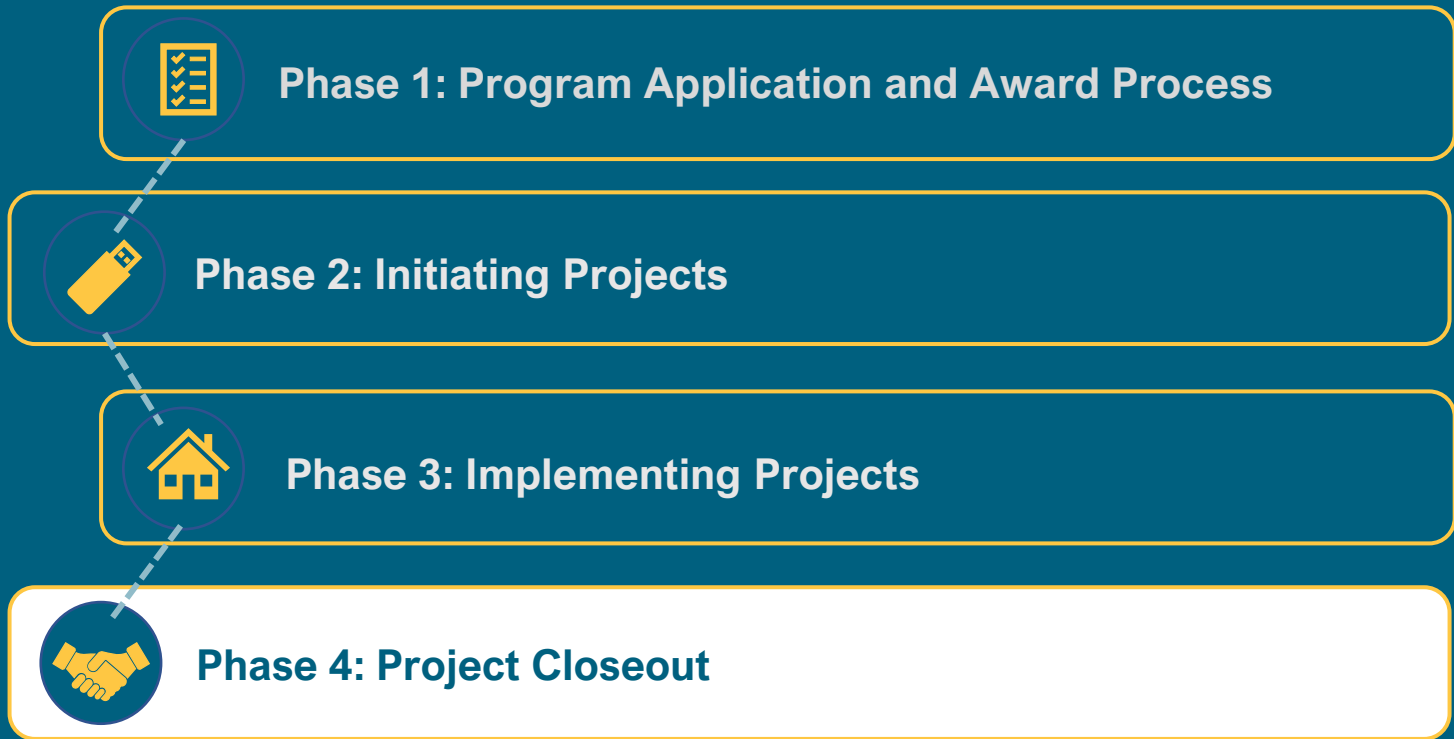
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All projects will be monitored at least once prior to initial closeout and, for rental projects, not less than every three years during the affordability period. Frequency and type of monitoring is based on the results of the annual risk assessment.

Affordable Housing Construction Program Roadmap





Phase 4: Project Closeout



Closeout Preparation



Records Retention



AHCP BREAKOUT DISCUSSION #2



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Next Steps



Visit the DED CDBG-DR Program Website

On the website you can sign up for the CDBG-DR program newsletter and review programmatic materials.

Website: opportunity.nebraska.gov/cdbg-dr



Provide Feedback Directly to DED

Additional feedback can be provided directly to the DED CDBG-DR team.

Email: ded.cdbgdr@nebraska.gov



Attend Future Focus Group Sessions

The next focus group session will be held in **February**. The focus of the next focus groups will be on compliance requirements.

Q&A



Contact Information

CDBG-DR Assistance

Housing & Community Development

ded.cdbgdr@nebraska.gov

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