

Nebraska

FREQUENTLY ASKED QUESTIONS

For the
Nebraska Affordable Housing Trust Fund
2022 Application Cycle

Deadline for Submitting is 6PM on May 5, 2022

DEPARTMENT OF
ECONOMIC DEVELOPMENT



opportunity.nebraska.gov
TheGoodLifeIsCalling.com

RESOURCES:

Application Guidelines & Recorded Workshops

Found under *Training and Workshops* @ <https://opportunity.nebraska.gov/nahtf>

AmpliFund Videos and User Guides:

Found under *Quicklinks-Nebraska Affordable Housing Trust Fund* @ <https://opportunity.nebraska.gov/amplifund/>

For Assistance with AmpliFund contact DED.Support@nebraska.gov

Submission Deadline May 5, 2022 at 6PM



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ATTENTION: New Subsidy Table Released

The NAHTF program uses the HOME Maximum Per Unit Subsidy Limit Table which is based on bedroom size. All projects will use these current numbers regardless the year of their contracts.

Use data in the row labeled **All Nebraska and Iowa PJs/Counties**.

Applicants in the 2022 NAHTF cycle will need to use this updated link in their program guidelines:

<https://opportunity.nebraska.gov/wp-content/uploads/2022/04/2022-Iowa-and-Nebraska-PerUnit-Subsidies.pdf>.

*Added 4/22/22



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Q: Is Tenant Education a requirement for Rental Projects?

NDED does require tenant education to be provided and validated with a certificate of completion in order to stay in compliance with NAHTF guidelines. This is stated in the program guidelines checklist.

RentWise is a common resource. Other educational programs may be submitted to DED for approval and use in a project. Applicants who are awarded NAHTF funding should work with the project partners/developers in the early stages of project to plan for tenant education.

It is recommended that Tenant Applications include an agreement to complete tenant education and provide proof of completion. Property Management/Owners may provide incentive to attend. Typically, NAHTF-assisted units have lower rents than market-rate which provides a degree of incentive.

*Added 4/22/22



Q: Explain the types of assistance provided by NAHTF?

There are 3 types of assistance typically seen in NAHTF New Construction projects:

- **Development Gap Assistance** – This is a subsidy used to fill the funding gap created by a difference between the cost to build and the appraised or Fair Market Value of the newly constructed unit. A Development Subsidy is provided to the developer. For example, a house costs \$250,000 to build, but only appraises at \$200,000, the Development Subsidy needed to fill the gap is \$50,000.
- **Affordability Gap Assistance** – This is subsidy used to fill the funding gap created by a difference between the appraised or Fair Market Value of the newly constructed unit and what the house sells to the homebuyer for. An Affordability Subsidy must be protected through either Resale Provisions or Recapture Provisions. For example, a house costs \$250,000 to build, appraises at \$200,000, but can only be sold to a household at 120% of the Area Median Income for \$175,000. The Affordability Gap is \$25,000 ($\$200,000 - \$175,000 = \$25,000$). The \$25,000 Affordability Gap must be protected by either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien). There is no time limit on repayment of the Affordability Gap subsidy. It is paid back when home is sold.
- **Direct Homebuyer Assistance** - Direct Homebuyer Assistance is a subsidy or loan provided to the homebuyer at time of closing. DED allows for up to 20% of the home's Sale Price to be budgeted in this category. This assistance must be protected through either **Resale Provisions** (secured by a covenant) or **Recapture Provisions** (secured by a lien) for the length of the Affordability Period as stated in the DED contract. For example, a household at 120% of the Area Median Income is purchasing a newly constructed house for \$175,000 and they need 20% of the purchase price ($\$175,000 \times 20\% = \$35,000$) to be able to close on their loan. The homebuyer has \$5,000 in their own cash to apply at closing, therefore \$30,000 in NAHTF-funded Homebuyer Assistance is provided to the Homebuyer at closing. In new construction projects, the Department typically sees NAHTF funded Direct Homebuyer Assistance budgeted in the project to assure it is available if needed by a homebuyer (typically a minimum of \$1,000).

NOTE: In cases where both an affordability gap and Direct Homebuyer Assistance are required, both investments need to be protected and/or secured. Consult real estate attorney to determine the logistics of how the DED recipient does this.

*Added 4/22/22



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Q: How do I name my Application?

Naming Format: (PreApp) 22NAHTF (Applicant Organization) (Type) (Activity)

- **PreApp**_22NAHTF_ Anywhere City_ HB_ NC_ HBA
- 22NAHTF_ Any Organization_ RH Rehab

Type abbreviations	Activity abbreviations
HB=Homebuyer	NC=New Construction
HO=Homeowner	Rehab = Rental Rehab or Rehab Conversion
RH=Rental	PRR= Purchase/Rehab/Resale
	OOR=Owner Occupied Rehab
	HBA= Homebuyer Assistance (DPA/Closing Costs)



Q: If our project does not meet the required Threshold Milestones by the full application due date, are we eligible to submit a 2022 NAHTF application?

No.

The Department will not review any applications submitted by applicants that have a project not meeting the Threshold Milestone requirements by May 5, 2022.



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Q: When is a Rental Development Pro-Forma due?

All Rental projects will be required to submit their Development Pro-Forma by March 31, 2022, for review prior to Full Application.

Rental projects are required to use the Rental Development Pro-Forma found in the Pre-Application or on the NAHTF webpage.

Submit the Rental Pro-Forma to the applicant's regional Housing Representative.



Q: How are General Admin and Housing Management calculated?

Total Project Cost (TPC) is used to calculate these two administrative cost allowances.

TPC= NAHTF Primary Activities + NAHTF Support Activities (do not include match amount).

General Administration – up to 8% of NAHTF Total Project Costs, not to exceed \$20,000 per award (whichever is less). No support documentation will be required with payment requests.

**DED recommends applicants track their Gen Admin costs for their own project files so as to provide historical data for their organization; useful for planning and budgeting for future applications.*

Housing Management – up to 12% of NAHTF Total Project Costs; not to exceed \$5,000 per unit (whichever is less). Reimbursement is on a per unit basis and eligible upon documentation of unit completion. (This requirement does not apply to Lead-Based Paint)

Lead-Based Paint – *up to \$1500 per unit may be budgeted and reimbursed with invoice documentation.*

**LBP Balances left in budget at completion of contract will not be eligible for budget amendment. Balances will be recaptured by DED for use in future cycles.*



Q: How do I figure Total Development Cost (TDC) & Total Project Costs (TPC)?

TDC = All Development Costs in the project regardless of the funding source.

*All project related expenses, land/building purchases, administrative costs, etc.

*May include costs that are being paid by leverage. Leverage paid costs are not shown in the NAHTF project budget created in the application.

TPC = The total of all NAHTF funded Primary Activities plus NAHTF funded Support Activities. This will be the total listed in the NAHTF budget created in the application Budget section.

*Amount does not include match amounts for these activities, but only the NAHTF amounts requested in the application.

*On budget total the amounts listed under the Grant Funded column including only activities 01-09.



Q: Is the Acquisition Activity used for Purchase/Rehab/Resale projects?

No, do not use “Acquisition” as a budget line item when creating the budget for your P/R/R project.

Purchase/Rehab/Resale Projects have one activity and one budget line item of the same name. It is Purchase/Rehab/Resale and that line item includes the cost for acquisition.



Q: What are the matching requirements?

Match is not required in order to apply for the 2022 Nebraska Affordable Housing Fund.

Match is expended in proportion to the amount of NAHTF being requested per line item.

All cash match must be expended by the DED recipient during the contract period and in proportion to the amount of NAHTF project costs drawn down per line in the contract budget.

For consistency, to determine whether funds are considered match and eligible to receive match points, all the following items must be met:

- Match must be associated with an activity that is being funded by the Trust Fund.
- Match funds are unrestricted cash funds available at the time of application.
- Match funds are used to pay for project related costs incurred by the award recipient and paid for by the award recipient during the contract period (after ROF).

Applicants must complete the required **DED Cash Match Documentation Form**

Review Section 7 of APPLICATION GUIDELINES for more details.

**Some Project-related soft costs are not eligible for match points, i.e. Developer Fee*



Q: Which support activities may include a cash match?

Demolition - Qualifies for Match *as long as sites are known at time of application.*

Rental Reserves - Qualifies for Match. These are not reimbursed until end of project. It will be demonstrated by evidence of an account created and funds deposited into the account.

Acquisition - Qualifies for match. (This line-item category is not used for PRR projects)

Infrastructure Improvements - Qualifies for match. This line item is used for major construction projects involving multiple lots requiring utility infrastructure improvements, typical of sub-divisions, i.e. new streets, city-owned water and sewer lines, etc. It is eligible for reimbursement in proportion to the construction per unit of NAHTF-funded units and with proof of a NAHTF unit's occupancy by an eligible beneficiary. *This line item is not used for single site/lot improvements which are part of the new construction or rehabilitation line items and include costs such as utility hookups, infill, grading, etc.*

**Developer Fee - Does NOT qualify for match. See definition in Application Guidelines Appendix; Terms & Definitions.*



Q: If match was not included in the pre-application, can the full application include match?

Yes, a full application can include match even if it was not included in the pre-application and vice versa.

Q: What are the Public Hearing Requirements?

There is not a public hearing or request for public comment period required for NAHTF application. Applicants are welcome to utilize either of these either of these and may upload public comments with their application in the Specific Applicant Uploads section of the application.



Q: Can funds spent outside of the contract period be identified as leveraged funds? (ex: purchase of a building or rehabilitation of building prior to application or notice of award.)

No. For consistency for all applications, the Department has determined that only funds leveraged during the contract period should be included in the leveraged funds form. This ensures consistent information and data for statutory reporting requirements of leveraged funds.

Applicants are encouraged to include within their narratives any additional funds already spent or anticipated to be spent throughout a multi phase project to provide the Department a full understanding of the project.



Q: What are the Rental Rate Limits?

Using the HUD Home Rent Limit table found on DED NAHTF web page; rents should be no more than the 65% rent limit established by HUD for the area project is located in.

However, if the Fair Market Rent (FMR) limit shown on the HUD table is lower than the 65% rent limit, project should consider using the FMR as the limit. Project needs to be able to support decision for rent chosen on NAHTF-assisted units: rents that make sense for the project, the area that project is located in, and that considers the AMI population being targeted by the project.

Note: The HUD table assumes landlord/owner is paying utilities, therefore the amount must be adjusted when tenant pays utilities.



Q: Do Housing Studies have a time requirement?

There is not a specific requirement regarding the age of a Housing Study used as a source document in the application. However, the Department recommends that housing studies that have not been updated within 5 years should include some type of addendum update, i.e. Housing Study Lite, etc.

Q: For county or regional-wide housing projects, can housing studies from multiple communities be uploaded?

Yes. There are fields provided for housing studies that can be found through online links. Applicants may also use the Applicant Specific Uploads to upload Housing Studies cited within the narratives.



Q: What has changed with Lead Based Paint requirements?

Federal NEPA requirements are no longer tied to the NAHTF project. This has allowed the Department to increase the amount of rehabilitation allowed per unit without automatically triggering abatement enforcement.

For information on this change refer to the Lead-Based Paint Q&A found in the Application Guidelines Addendum.

Also review the State Agency Trainings found on the NAHTF webpage under Training and Workshops to find contact information for DHHS for assistance on project questions pertaining to Lead-Based Paint.



Q: How is an area designated as Extremely Blighted Area?

To be declared an Extremely Blighted Area, an area must be declared through the process outlined under [Nebraska Revised Statutes §18-2101.02](#).

Q: Can NAHTF funds be used to purchase appliances?

Yes, any Housing Project can use NAHTF funds to purchase appliances. Any appliances purchased must be Energy Star qualified products.



Q: What are the contract periods for 2022 NAHTF Applications?

Rentals, New Construction, Homebuyer Assistance, Purchase Rehab Resale and Owner-Occupied Rehab projects will be recommended for a 36-month contract period.

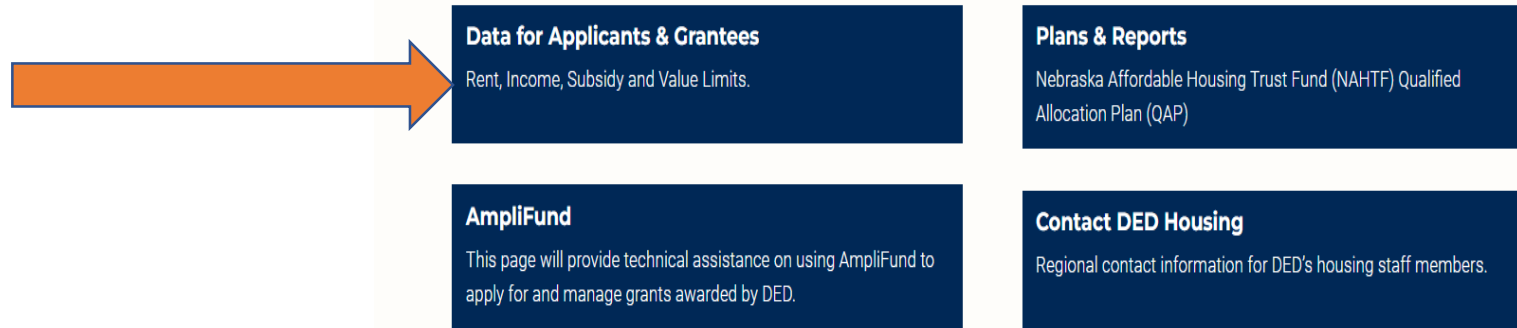
Nonprofit Technical Assistance, and all other projects will be recommended for a 24-month contract period.



Q: How do I find the maximum per unit subsidy table.

The table is found at the bottom of the [NAHTF web page](#).

Or by clicking the Data for **Applicants and Grantees** button on the page.



**The NAHTF program uses the HOME HUD subsidy limit table which is updated annually. Follow the bottom line of figures in the table titled "All Nebraska and Iowa PJs/Counties."*



Q: How do I calculate Purchase Price Limit using HOME HUD table?

HOME HUD table is on the NAHTF web page under [Data for Applicants & Grantees](#)

To Find NAHTF 140% Purchase Price Limit:

For Existing Units use Column (H) (Unadjusted Median Value) and multiply by 1.40

For New Homes use Column (P) (Unadjusted Median Value) and multiply by 1.40

Example for **New** Home:

Multiply Column (P) X 1.40 to find the Purchase Price Limit for NAHTF (based on 140%)

Note:

1 Unit stands for 1 single-family home, 2 is a duplex and so forth. A multiplier would need to be used to figure duplex, tri-plex, and 4-plex. (See methodology for those).

**Owner-Occupied Rehabilitation (OOR) projects do not have this requirement.*



Q: Does the table for Rent Limits include the utility allowance?

Yes. For example, if the 65% Rent Limit is \$500 and the tenant is paying the utilities and if that amount will be \$50/month, the maximum rent to be collected from a tenant is \$450. (\$500 Rent Limit - \$50 utility allowance = \$450 maximum rent paid by tenant).

Rent Limits table is found on the NAHTF webpage.



Data for Applicants & Grantees

Rent, Income, Subsidy and Value Limits.

Plans & Reports

Nebraska Affordable Housing Trust Fund (NAHTF) Qualified Allocation Plan (QAP)

AmpliFund

This page will provide technical assistance on using AmpliFund to apply for and manage grants awarded by DED.

Contact DED Housing

Regional contact information for DED's housing staff members.



Q: Which projects require Site Reviews?

Any project that includes new construction, land acquisition, rental conversion and rehabilitation, and infrastructure improvements (off-site). Site reviews that are conducted after an award need to be requested 45 days prior to acquisition or unit rehab commences unless approval has been received from Housing Program Rep to complete the site review sooner.

Q: Are Program Guidelines required to be board approved and finalized at time of application?

No. Board Approved Program Guidelines are a Special Condition item for Release of Funds. Prior to Release of Funds all criteria set in the program guidelines checklist must be met and approved by applicant organization/community. Program Guidelines that meet all criteria items and are board approved at the time of application will demonstrate more readiness of the proposed project than draft program guidelines.



Q: What is the radon requirement for a project having only one primary activity of Homebuyer Assistance?

A Homebuyer project including only the primary activity of Homebuyer Assistance (typically provided as down payment assistance) must include in the program guidelines a policy of informing homebuyers of radon risk including the provision of educational material.

**Homebuyer projects requesting NAHTF funding in new construction or Purchase/Rehab/Resale activities have additional requirements and these are listed in the program guidelines checklist.*



More on radon...

When designing a program, NAHTF applicants are encouraged to consider the safety and well-being of their potential beneficiaries in drafting their radon policy. Applicants will outline their policy within the narrative question of the application and if the policy exceeds the minimum standard, the narrative is an opportunity to share their decision to do so.

Radon is a growing concern and likely present across all of Nebraska. NDED encourages applicants to be informed.

View the State Agency Training given by DHHS (Part 2) found on NAHTF webpage under ***Training and Workshops***.



Q: How do I create the budget in the application?

The NAHTF application budget includes only NAHTF requested amounts and the match associated with the activity, if any.

Use **ONLY** the names given in this chart to name the budget line items.

<i>Primary Activities + Support Activities = Total Project Costs</i> <i>Total Project Costs (TPC) must be \$500,000 or less.</i>		
Primary Activities	Support Activities	Administrative Costs
New Construction*	Developer Fee*	Housing Management
Homebuyer Assistance *	Demolition*	General Administration
Purchase Rehab Resale*	Rental Reserves*	Lead Based Paint Testing (LBP)
Rehabilitation*	Acquisition*	
	Infrastructure Improvements*	

**Use TPC to figure budget allowances for General Administration and Housing Management.
LBP is based on \$1500 per unit allowance.*

Resource:

2022 NAHTF Application User Guide found in QuickLinks (NAHTF) on the [AmpliFund Resource Page](#)



Q: Can a Developer Fee be budgeted on a project that has only the one primary activity of Homebuyer Assistance (HBA)?

No. The Developer Fee can not be used in a HBA only project that provides down payment assistance to eligible beneficiaries.

The project may budget for a Housing Management Administrative cost.

The Developer Fee activity is also not available in Homeowner projects conducting owner-occupied rehabilitation.



REMOVAL OF NEPA REQUIREMENTS 2021 & 2022

- NAHTF Awards dated 2021 and future are required to follow State of Nebraska rules for their projects and the Federal regulations dictated by NEPA have been removed.
- Recipients will be expected to follow their contracts and State of Nebraska rules that pertain to their project.
- It is the responsibility of the Recipient to understand what the State rules are for their type of project and to rely on their legal counsel for questions regarding such.
- See NAHTF webpage>Training and Workshops/2021 State Agency Trainings for assistance.



TIPS

- REVIEW THE APPLICATION GUIDELINES
- DEMONSTRATE ATTENTION TO DETAIL
- FOLLOW THE NAMING PROTOCOL
- WATCH THE PRE-RECORDED WORKSHOPS PROVIDED ON NAHTF WEBPAGE.
- DOWNLOAD AND SAVE OFTEN TO AVOID LOSS OF DATA DUE TO TIMING OUT
- REVIEW THE FAQ ON DED'S NAHTF WEBPAGE
- ANSWER ALL QUESTIONS IN BULLET POINTS — *EXPLAIN IF A BULLET POINT DOES NOT APPLY TO YOUR PROJECT OR IF YOU DON'T KNOW THE ANSWER.*



TIPS

- MAKE SURE BUDGET NUMBERS MATCH THE NUMBERS SHARED IN APPLICATION NARRATIVES.
- [CLICK HERE](#) TO JOIN DED'S MAILING LIST TO STAY INFORMED.
- WHEN YOU SHARE HOUSING STUDY OR SURVEY'S; REVIEWERS LOOK TO SEE IF IT ALIGNS WITH YOUR PROGRAM.
- BE PREPARED TO SHARE WHY YOU CHOSE THE PROGRAM YOU ARE APPLYING FOR IF IT DOES NOT ALIGN WITH HOUSING STUDY.
- USE A PROOFREADER; FRESH EYES





Applies to program years 2021 and beyond.

Check it out...

Application Guidelines Appendix

- Q&A on Lead Based Paint
- District Map
- Regional Housing Rep Map
- Terms and Definitions

Q. What State of Nebraska statutes apply to my NAHTF award?

A: Neb. Rev. Stat. §§71-6318 to 71-6331.01 and Neb. Rev. Stat. §§71-162 to 71-162.05. These statutes govern the licensing of firms partaking in lead-based paint abatement as defined here: [https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health and Human Services System/Title-178/Chapter-23.pdf](https://www.nebraska.gov/rules-and-regs/regsearch/Rules/Health%20and%20Human%20Services%20System/Title-178/Chapter-23.pdf)

Q. What is lead-based paint abatement?

A: The Nebraska Department of Health and Human Services (DHHS) defines lead-based paint abatement as any measure or set of measures designed to permanently eliminate lead-based paint hazards. Abatement does not include renovation, remodeling, landscaping, or other activities when such activities are not designed to permanently eliminate lead-based paint hazards but instead are designed to repair, restore, or remodel a structure or dwelling even if such activities may incidentally result in a reduction or elimination of lead-based paint hazards.

Example: You are replacing all of the window frames in a home for the purpose of a remodel. The window frames may have contained lead-based paint. Replacing them will permanently eliminate the lead-based paint hazard. However, this elimination is incidental to the remodeling. Therefore, the activity is not abatement as defined by DHHS.

Example: You are replacing windows in a home after a child in the home was found to have elevated levels of lead in the child's blood. You believe deteriorating paint on the window frames may have been the source of lead. Therefore, the activity is abatement.

Q. Does NAHTF require abatement of lead-based paint hazards?

A: No, NAHTF does not require LBP abatement. However, recipients may choose to abate lead-based paint hazards. In that case, a licensed abatement contractor would need to be used.

Q. I am still unsure if my project involves lead-based paint abatement.

A: Contact DHHS: Doug Gillespie, Program Manager, Office of Environmental Health Hazards & Indoor Air. Doug.Gillespie@nebraska.gov 402-471-0548

Q. What do I need to do if my project includes abatement?

A: You must work with a licensed abatement contractor, certified by Nebraska DHHS. The contractor must follow HUD guidelines for abatement by a certified individual. See 1997 revision of Chapter 7: HUD Guidelines for the Evaluation and Control of LBP Hazards [https://dhhs.ne.gov/Lead%20Documents/ HUD%202012%20Guidelines%20complete.pdf](https://dhhs.ne.gov/Lead%20Documents/HUD%202012%20Guidelines%20complete.pdf). You can look up a firm's license from the state of Nebraska here: <https://www.nebraska.gov/LISSearch/search.cgi>

Q. What other lead-based paint rules and regulations apply to my NAHTF award?

A: The Environmental Protection Agency (EPA) Renovation, Repair, & Painting (RRP) Rule applies to all housing units constructed before 1978. Therefore, the RRP Rule applies to all NAHTF projects that involve pre-1978 housing units. This would cover many properties in owner-occupied rehab (OOR) and purchase, rehab, resale (PRR) projects as well as rental rehab. RRP does not apply to New Construction.

Q. What does the RRP Rule require?

A: The RRP Rule requires that any contractors (including general contractors and subcontractors) performing renovation, repair, and painting projects that disturb lead-based paint in homes built before 1978 must (1) be certified by EPA, (2) use certified renovators who are trained by EPA-approved training providers, and (3) follow lead-safe work practices.

Note: If your organization is acting as a general contractor for your NAHTF project in pre-1978 housing, your organization needs to be certified by the EPA as an RRP Renovation Firm. If you are hiring a general

