

# Grantee: Nebraska

## Grant: B-19-DF-31-0001

### April 1, 2022 thru June 30, 2022 Performance Report

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**Grant Number:**

B-19-DF-31-0001

**Obligation Date:**

07/07/2027

**Award Date:**

Reviewed and Approved

**Grantee Name:**

Nebraska

**Contract End Date:**

07/07/2027

**Review by HUD:**

Reviewed and Approved

**Grant Award Amount:**

\$108,938,000.00

**Grant Status:**

Active

**QPR Contact:**

Jenny Mason

**LOCCS Authorized Amount:**

\$108,938,000.00

**Estimated PI/RL Funds:****Total Budget:**

\$108,938,000.00

## Disasters:

### Declaration Number

FEMA-4420-NE

## Narratives

### Disaster Damage:

After record low temperatures that created frost depths approximately two feet deep and ice on rivers and creeks in winter of 2018-2019, Winter Storm Ulmer, a bomb cyclone – or “winter hurricane,” a term given to a rapidly intensifying storm – roughly equivalent in power to a Category 2 hurricane, moved across Nebraska between March 12 and 15, 2019. Recorded wind gusts during the cyclone approached 80 mph in many parts of the state and contributed to blinding blizzard conditions that closed highways and stranded motorists. Many roads and bridges, and other infrastructure, were damaged such that they were “out of service” or impassable for a considerable amount of time, causing remarkable disruption.

The bomb cyclone also brought heavy snow, blizzard conditions, rainfall, and above-freezing temperatures into much of the interior of the US. This part of the country already had significant snowpack on the ground due to above-average precipitation during the 2018-2019 winter season. Nebraska experienced its worst flooding event in 50 years between March and July 2019. As temperatures warmed in April and May 2019, the heavy snow and excessive rainfall from the 2018-2019 winter season contributed to rapid melting of ice and snow, resulting in flooded rivers and ice jams that breached levees, damaged infrastructure, and destroyed thousands of homes and businesses. The eastern side of the state was particularly impacted by flooding, resulting in fatalities, evacuations, and search and rescue missions. In many areas, the flood damage was exacerbated by thick river ice breaking off in an atypically severe manner. Bridges were washed away by flooding or rendered impassable due to accumulated ice chunks.

### Recovery Needs:

Grantees who receive an allocation through the CDBG-DR program are required to conduct an Unmet Needs Assessment (UNA) to assist in the identification and prioritization of critical unmet needs following a disaster and to identify long-term recovery efforts that will mitigate against future disasters. For DR-4420, the State of Nebraska’s UNA identified \$269,043,934 in unmet need, specifically \$55,637,821 in unmet housing need, \$196,163,422 in unmet infrastructure need, and \$17,242,691 in economic revitalization need. Throughout the State, recovery efforts have been taken and continue to be initiated for public and private housing and infrastructure facilities. Local jurisdictions reported having completed repairs on homes that were damaged or destroyed as well as repairing infrastructure facilities. However, additional need remains. As a result of the UNA process, Nebraska will establish five programs (funding opportunities) to assist in its disaster recovery:

1. Infrastructure Match Program
2. Affordable Housing Construction Program
3. Homeowner Assistance Program
4. Risk Awareness Planning Program
5. Housing Resilience Planning Program

Nebraska’s CDBG-DR program and funding opportunities are not designed or intended to create Program Income nor establish revolving loan funds (RLFs).

Low- and Moderate-Income (LMI) & Vulnerable Populations: Nebraska will prioritize activities under the housing programs that benefit LMI households, persons experiencing homelessness, and individuals requiring supportive housing, as identified in 24 CFR 91.315(e).

### Prioritization of vulnerable populations aligns with applicable Fair Housing requirements.

Most Impacted and Distressed (MID) Areas: HUD requires that 80% of CDBG-DR funds be allocated and spent in HUD-defined MID areas. HUD originally identified the MID areas as being the entirety of Sarpy County, zip code 68025 (Fremont, Inglewood, and Woodcliff) in Dodge County, and zip codes 68064 and 68069 in Douglas County (Valley and Leshara). Based on the UNA, Nebraska expanded the HUD-defined MID to include all of Dodge County and Douglas County. As a result,



Dodge, Douglas, and Sarpy counties will be the target for 80% of available CDBG-DR funding.

**Infrastructure Needs:** As the UNA and HUD’s early assessments both indicate, DR-4420 generated catastrophic impacts to infrastructure, resulting in significantly higher losses in that category than economic and housing needs. Infrastructure damage was widespread, with 84 out of 93 counties impacted, reporting damage to roads, bridges, levees, dams and many other critical infrastructure facilities. To address the extensive infrastructure needs within the state, the state is prioritizing CDBG-DR funding under DR-4420 for infrastructure recovery.

**Housing Needs:** To determine how many housing units would require funding through the CDBG-DR program, DED conducted a data analysis to review the total number of homes served through existing State housing programs. DED estimated the total remaining unmet need in both the HUD MID and state MID areas to be 252 housing units.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$6,196,900.00
<b>Total Budget</b>	\$0.00	\$6,196,900.00
<b>Total Obligated</b>	\$0.00	\$0.00
<b>Total Funds Drawdown</b>	\$906,484.56	\$1,312,665.69
<b>Program Funds Drawdown</b>	\$906,484.56	\$1,312,665.69
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$0.00
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

**Funds Expended**

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
Nebraska Department of Economic Development <sup>1</sup>	\$ 0.00	\$ 0.00

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	70.00%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$.00	\$.00
<b>Overall Benefit Amount</b>	\$71,918,770.00	\$.00	\$.00
<b>Limit on Public Services</b>	\$16,340,700.00	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$21,787,600.00	\$6,196,900.00	\$1,312,665.69
<b>Limit on Admin</b>	\$5,446,900.00	\$5,446,900.00	\$1,312,665.69
<b>Most Impacted and Distressed</b>	\$87,150,400.00	\$4,957,520.00	\$.00

**Overall Progress Narrative:**

Progress Overview QPR-2022 Q2, April 1, 2022 - June 30, 2022

Expenditures during this reporting period correspond with the development of the CDBG-DR program guides for housing, infrastructure, and planning programs; and the development of the CDBG-DR Manual to address the functional differences between CDBG-DR and the regular, annual allocation CDBG allocation, the nuances of the CDBG-DR programs (e.g., Match program), and the requirements set forth in the applicable Federal Register Notices.

Except for the expenditure of Admin, there were no expenditures nor accomplishments to report during this period. DED received notice from HUD, resolving most grant conditions and enabling issuance of awards for housing activities. Five notices of preliminary award were issued to successful applicants (i.e., developers) for affordable housing projects involving Low-Income Housing Tax Credits (LIHTC). These awards are the first under the Affordable Housing Construction Program (AHCP) and in partnership with Nebraska Investment Finance Authority (NIFA) via the established joint application process. NIFA administers LIHTC for the state.

DED had projected 1) expenditures for infrastructure, housing, and planning activities to occur within the reporting period, 2) accomplishments for infrastructure activities under the Infrastructure Match (Match) Program, and 3) accomplishments for housing activities. However, funding awards for affordable housing projects did not occur until late in the reporting period and accomplishments are not anticipated for those housing awards for several months. Expenditures for administration and planning were higher than projected due to the extent and content of the grant conditions, requiring DED to create myriad policies and procedures, including those for program implementation needs prior to HUD allowing DED to launch programs.



DED diligently continues work to meet HUD feedback.

DED delivered technical assistance to potential subrecipients for its Match program via webinars and, by request, one-on-one correspondence or engagement to address specific areas of concern raised by those individuals and groups. 91 registered and 83 attended the formal events, not including DED staff or its agents. Similarly, upon request, DED delivered technical assistance to applicants of housing programs via one-on-one correspondence or engagement to address specific areas of concern raised by those individuals and groups.

The program experienced challenges in the finalization of materials for publication. During this reporting period, DED had expected to publish on its website the final versions of application and program guidelines and the implementation manual (CDBG-DR Manual) and deliver technical assistance to potential subrecipients and successful applicants through webinars, publication of program tools, and other resources. DED was successful in hosting two formal technical assistance events. The manual and program materials are now on schedule to be published during the next reporting period. Aligning program launch timelines with capacity has also been a challenge. Due to its piggyback programs to address housing and infrastructure unmet needs, DED must align its resources and schedules to any standing funding cycles of its partners; and, while challenging, still likely to result in swifter accomplishments than standing up standalone, unfamiliar program. In the case of its partnership with NIFA, the AHCP was able to launch quickly alongside an immediate application cycle. As for its Infrastructure Match Program, the timing of DR assistance becoming available has been a significant challenge related to some projects having not yet started, others in progress, and still others being complete. While DED did anticipate some degree of this, the scale and scope of the problem was exacerbated by the process to address grant conditions. Moreover, with a record amount of federal funding available to address community needs in the state and across the nation, DED and its stakeholders and partners are working diligently to be good stewards of those federal resources, inclusive of these DR funds.

Furthermore, DED worked with its local, state and regional partners, and stakeholders to assess outstanding unmet recovery needs, as well as develop and amend programs to address those unmet needs. There are no immediate action plan amendments, substantial or otherwise, planned in the next reporting period.

During the next reporting period, through the NIFA-DED joint application process, pre-applications for the 2023 9% LIHTC funding round will be accepted. This round is expected to again include CDBG-DR assistance via the Affordable Housing Construction Program. In addition, DED anticipates launch of the second prong of its AHCP, the Homeowner Production Program (HPP). Additionally, DED anticipates conducting a detailed project vetting of submitted Infrastructure Match Program pre-applications to determine project eligibility.

DED expects to publish on its website the final versions of application and program guidelines and the implementation manual (CDBG-DR Manual) and deliver technical assistance to potential subrecipients and successful applicants through webinars, publication of program tools, and other resources. DED anticipates incurring expenditures for Housing and Infrastructure activities during Q3 2022.

**Milestones**

April 11, 2022, Infrastructure Match Program: DED opens its Notice of Intent (NOI) Pre-Application for submissions. Submissions are due June 10.

April 12, 2022. HUD issued letter to DED addressing status of grant conditions. This letter allowed DED to launch its programs.

April 15, 2022, Affordable Housing Construction Program - LIHTC Gap Financing subprogram: 4% 2022 LIHTC reservations announced.

April 27, 2022, Affordable Housing Construction Program - LIHTC Gap Financing subprogram: NIFA 9% 2022 LIHTC full-applications due.

April 27, 2022. DED published the HUD-approved QPR for Q1 2022.

April 28, 2022, Infrastructure Match Program: DED held a NOI Pre-Application Webinar for technical assistance to potential applicants.

June 3, 2022, Infrastructure Match Program: DED hosted NOI Pre-Application Open Office Hours for technical assistance to applicants.

June 10, 2022, Infrastructure Match Program: NOI Pre-Application closed. DED begins its review of the 266 submissions received: 256 pre-applications for funding and 10 opt-out letters.

June 16, 2022, Affordable Housing Construction Program - LIHTC Gap Financing subprogram: DED issues Notice of Intent to Award (NOIA) letter sent to successful applicant for the 4% 2022 CDBG-DR/LIHTC funding round.

June 17, 2022, Affordable Housing Construction Program - LIHTC Gap Financing subprogram: NIFA announces 9% 2022 LIHTC allocations.

June 29, 2022: Affordable Housing Construction Program - LIHTC Gap Financing subprogram: DED issues NOIA letters to successful applicants for the 9% 2022 CDBG-DR/LIHTC funding round.

## Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DR-19-AD, Administration	\$906,484.56	\$5,446,900.00	\$1,312,665.69
DR-19-AHC, Affordable Housing Construction Program	\$0.00	\$26,000,000.00	\$0.00
DR-19-HAP, Homeowner Assistance Program	\$0.00	\$11,000,000.00	\$0.00
DR-19-HRP, Housing Resilience Planning Program	\$0.00	\$2,250,000.00	\$0.00



DR-19-IMP, Infrastructure Match Program	\$0.00	\$63,491,100.00	\$0.00
DR-19-RAP, Risk Awareness Planning Program	\$0.00	\$750,000.00	\$0.00

