

Grantee: Nebraska

Grant: B-19-DF-31-0001

January 1, 2023 thru March 31, 2023 Performance

Grant Number:

B-19-DF-31-0001

Obligation Date:**Award Date:****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.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$6,196,900.00
Total Budget	\$0.00	\$6,196,900.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$74,196.63	\$1,578,485.72
Program Funds Drawdown	\$74,196.63	\$1,578,485.72
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$74,196.63	\$1,578,485.72
HUD Identified Most Impacted and Distressed	\$59,357.31	\$1,262,788.58
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Nebraska Department of Economic Development ¹	\$ 74,196.63	\$ 1,578,485.72

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$71,918,770.00	\$.00	\$.00
Limit on Public Services	\$16,340,700.00	\$.00	\$.00
Limit on Admin/Planning	\$21,787,600.00	\$6,196,900.00	\$1,578,485.72
Limit on Admin	\$5,446,900.00	\$5,446,900.00	\$1,578,485.72
Most Impacted and Distressed	\$87,150,400.00	\$4,957,520.00	\$1,262,788.58

Overall Progress Narrative:

Progress Overview QPR-2023 Q1, January 1, 2023 - March 31, 2023

During this reporting period, DED continued to develop program materials for administration and implementation of the program overall and those funded activities thereof. Through the NIFA-DED joint application process, DED selected one (1) additional application for funding through the 2023 4% LIHTC funding round for CDBG-DR assistance via the Affordable Housing Construction Program. This brought the number of selected projects for new construction of affordable multifamily rental housing from nine (9) to ten (10), increasing the number of affordable housing units to be funded by CDBG-DR within the HUD MID area. DED anticipates setting up the DRGR activities in the next reporting period. Moreover, Additional funding decisions are anticipated for AHCP in subsequent reporting periods, including additional multifamily rental- and single-family owner-occupied units. Thus far, the interest in housing programs has exceeded initial estimations. While steadily moving awarded projects ahead, DED continues to assess programs and their allocations, and identify additional areas of need in housing and infrastructure.

Funding decisions are still underway for the Infrastructure Match (Match) Program. Although DED anticipated concluding its detailed project vetting to determine project eligibility and fundability in 2022, that process continues into the 2023 calendar year. Funding decisions for the Match program are anticipated in the next reporting period (Q2 2023). Through the Match program, DED continues its coordination with NEMA to make available CDBG-DR funding to support over 250 Public Assistance projects and 12 Hazard Mitigation Grant Program projects. (HMGP projects increased from the prior reporting period by one; this is due to a delayed FEMA approval for that project.) Creating a mechanism for CDBG-DR to help local jurisdictions with the local cost share for these FEMA PA and HGMP projects was identified as a high priority need during the initial action planning process.



Technical Assistance. To support successful implementation of its programs, DED continues to expand and refine its toolkit materials containing technical assistance for potential subrecipients and successful applicants through webinars, program tools, and other resources. DED publishes these materials on its public website. During this period, seven (7) one-on-one technical assistance sessions, fifteen (15) progress meetings in coordination with NEMA, and several ad hoc phone calls and emails were conducted to support Match Program participants; six (6) one-on-one TA webinars were held for housing developers having been selected for funding through the joint application process to discuss environmental reviews, project cost reviews, and closing documents; and five (5) outreach meetings were held in coordination with NIFA regarding the upcoming 2024-25 QAP cycle. Informal discussions and conversations are ongoing with potential and awarded project partners, advocacy groups, housing developers, and subrecipients.

Expenditures and Accomplishments. DED had anticipated incurring expenditures for housing and infrastructure activities during Q1 2023. However, except for the expenditure of Admin, there were no expenditures nor accomplishments to report during this period. 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 Q2 and Q4 2022; and accomplishments are not anticipated for those housing awards for several months and not before funding agreements are in place. DED is in the process of conducting due diligence to enter into funding agreements resulting from the DED-NIFA joint application process. In a prior reporting period, DED entered into a funding agreement with NEMA to support the expenditure of DR funding for PA Match, individual funding agreements with the local jurisdictions are anticipated for HMGP Match projects under the Match Program. DED expects those subrecipient agreements to be in place in the next two reporting periods.

Challenges and Lessons Learned. As stated in prior reporting periods, aligning program launch timelines with capacity continues to be a challenge. Due to its piggyback programs to address unmet needs in housing and infrastructure, 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 programs. In the case of its partnership with NIFA, the AHCP was able to launch quickly alongside an immediate application cycle for their 2022 and 2023 QAP. In coordination with NIFA, DED has made available CDBG-DR resources for the upcoming 2024-25 QAP cycle. As for its Infrastructure Match Program, the timing of DR assistance becoming available continues to be a significant challenge as 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 and the receipt of over 300 pre-applications to the Match Program -- many of which could not meet the top two tiers of priorities DED established in its Action Plan for meeting the HUD requirements per the FRN. The universe of applications seeking relatively small amounts of funding and the number of applicants outside of the HUD MID required strategic assessment of the Match and overall DR program before proceeding with the application process. Moreover, with a record amount of federal funding available to address community needs in the state and across the nation in the broader sense, DED and its stakeholders and partners are working diligently to be good stewards of those federal resources, inclusive of these DR funds.

Planned Progress. On April 24, 2023, DED plans to announce application cycle information for the second prong of AHCP, the Homeowner Production Program (HPP). The outcome of these housing application cycles and funding decisions will complement those anticipated for the Infrastructure Match Program, ultimately informing reallocation decisions to be incorporated in its action plan. DED anticipates incurring expenditures for Housing and Infrastructure activities in upcoming reporting periods. Hence, DED will be entering activities under its DRGR Action Plan, corresponding with the execution of funding agreements for those activities. As a result of funding decisions made to-date, including those anticipated in early 2023, and its ongoing outreach and engagement with local, state and regional partners, and stakeholders to assess outstanding unmet recovery needs, DED anticipates submission of an action plan amendment. This forthcoming amendment is likely to include reallocation of funding to support those needs as identified across the programs currently identified in the action plan. Currently, DED does not anticipate the removal or addition of eligible activities therein. DED will follow the amendment process as detailed in its HUD-approved Action Plan.

DED remains committed to its delivery of additional technical assistance to subrecipients and successful applicants through in-person meetings, webinars, and the publication of program tools and other resources.

January 6, 2023. Affordable Housing Construction Program - LIHTC Gap Financing subprogram: applications due for the 4% 2023 CDBG-DR/LIHTC funding round.

February 15, 2023. Affordable Housing Construction Program - LIHTC Gap Financing subprogram: DED issues Notice of Intent to Award (NOIA) letter to the one (1) successful applicant for the 4% 2023 CDBG-DR/LIHTC funding round.

March 1, 2023. Infrastructure Match Program: DED begins review of full applications.

March 2, 2023. DED published the HUD-approved QPR for Q4 2022.

March 28, 2023. Affordable Housing Construction Program - LIHTC Gap Financing subprogram: DED entered into a funding agreement for Kennedy Square East AHCP-LIHTC project.

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	\$74,196.63	\$5,446,900.00	\$1,578,485.72
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

