

**Welcome to Open Office Hour**  
**2024 Nebraska Affordable Housing Trust Fund (NAHTF)**  
**April 11, 2024 @ 10:00am (CT)**

# WELCOME to the 2024 NAHTF Pre-Application Open Office Hour

The primary focus of this open office hour is to answer questions specific to completing the **full application** in AmpliFund.

Project specific questions should be discussed with a Housing Program Representative or entered into the Q & A form located on the NAHTF web page underneath the application links.

# ANNOUNCEMENTS

❖ **V1.3 of the Application Guidelines was posted on Wednesday March 13, 2024.**

*Applicants should review the last page “Record of Change.”*

❖ **Review 2024 NAHTF Q & A portal where the FAQ questions are uploaded.**

❖ **Review**

❖ **Pre-App and Full Application Recorded Guidance**

❖ **Supplement Slide deck**

❖ **Previous Open Office Hours slides**

❖ **Submit Questions and check for new FAQ’s using the NAHTF Application Q & A link [HERE](#).**

❖ **Stay Informed: [JOIN OUR MAILING LIST](#)**

# Section 14 - Post Award Management & Implementation

**Are you new to State Administered Award Funding?  
Review Section 14 of the Application Guidelines!**

- ❖ **Determining Income Eligibility of Beneficiaries**
- ❖ **Affordability Restrictions**
- ❖ **Monitoring Duties**
- ❖ **Insurance**
- ❖ **Accounting for Trust Funds by the Recipient**
- ❖ **Applicability to Contractors and Subcontractors**

## TIPS before you submit:

- REVIEW THE APPLICATION GUIDELINES
- DEMONSTRATE ATTENTION TO DETAIL
- FOLLOW THE NAMING PROTOCOL PROVIDED IN APPLICATION GUIDELINES AND WORKSHOPS
- 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
- MAKE SURE BUDGET NUMBERS MATCH THE NUMBERS SHARED IN APPLICATION NARRATIVES.
- USE A PROOFREADER; FRESH EYES

# Newest FAQ's were posted on 4/4/24

- **Q: What are you looking for when asking for the organization's geographic area of influence?**  
A: This question is referring to the Organization Description Summary in Form 02 of the full application. The geographic area of influence is the typical service area of your organization. Oftentimes an organization serves several communities or several counties in carrying out its overall mission. This may be different than the "Project Service Area" described in Form 01 of the application which is asking more specifically where the NAHTF project units will be located.
- **Q: Can federal award dollars and NAHTF dollars be used on the same project?**  
A: If a project will be leveraging federally funded sources to complete a proposed NAHTF project, the applicant should discuss this aspect of the project with their housing program representative before proceeding with a NAHTF application to help determine whether the layering of funding sources will be eligible in a NAHTF project.

# Newest FAQ's were posted on 4/4/24 continued...

## *TECHNICAL ASSISTANCE*

**Q: Are costs associated with planning a housing project eligible costs for a Technical Assistance project?**

A: Activities that are associated with the pre-development of a specific housing development project are not eligible costs for a Technical Assistance project. Such pre-development costs include planning meetings, architecture and engineering fees and other costs directly associated with a specific housing development project.

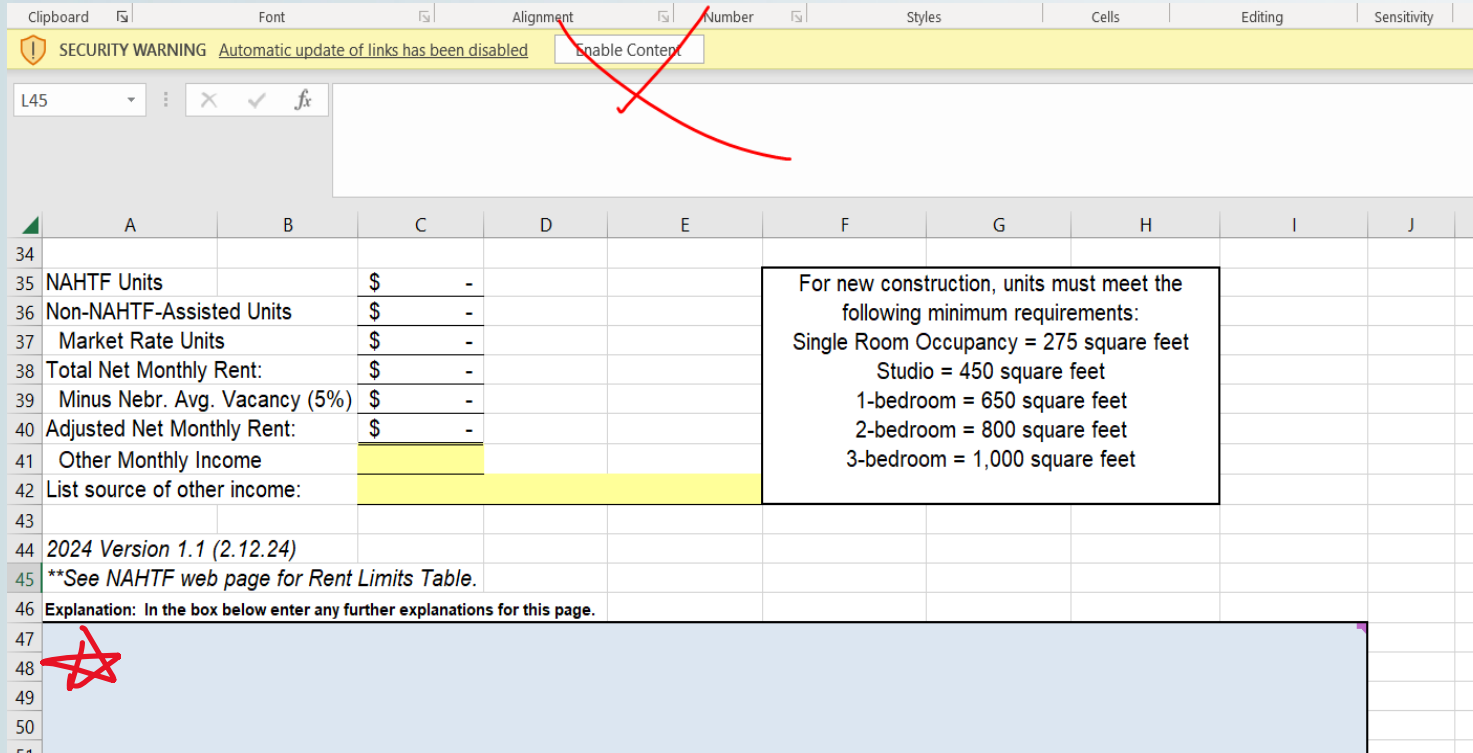
## *RENTAL PROJECTS*

**Q: Why do I get an error when entering the vacancy rate for a rental project in Form 3 of the full application?**

A: Applicant will need to enter the vacancy rate as a decimal. Example: 7% vacancy rate is entered as .07.

# Rental Pro Forma

RENTAL PROFORMAS – Do not click on “Enable Content” when first opening the template. You can “x” out of the Security Warning. There is no need to click automatic update links. Click “Save As” and rename with your application name.



TIP:

Fill in all relevant costs in the Development Cost Schedule and on the Operating Expense Sheet.

Follow the 3<sup>rd</sup> page of the Rental Guidelines Checklist for Rental Pro Forma Guidance.

**UPLOAD AS AN EXCEL** to the application.



# Homebuyer Pro Forma – Review page 33 of Application Guidelines.

## Homebuyer Project Pro Forma

DED does not have a required pro forma template for Homebuyer projects. At a minimum, the project's pro forma packet should contain the following:

### Unit Information

- average square foot, when known
- # of bedrooms, when known
- Projected Cost to Build
- Projected Sale Price per unit
- Projected Appraisal per unit
- Average amount of NAHTF-funded down payment per unit, if applicable

**Sources and Uses** (must be balanced and include cash match commitment as a source)

**Cash Flow** demonstrating the use of NAHTF funds moving through the project as proceeds from sale of unit and being used to construct subsequent units.

Applicants applying for homebuyer projects are encouraged to work with their project partners to prepare a pro forma packet. The cash flow should show how proceeds are leveraged from the sale of newly constructed or rehabbed units for use in completing subsequent units during the open contract period.

### Homebuyer Unit Sales Price Questions

For projects involving the sale of units to eligible homebuyers applicants will answer the following questions:

- What is the estimated cost to build each unit?
- What is the estimated sales price per unit?
- What is the estimated appraisal value per unit?

Applicant will describe how the unit sale price is going to be determined.

HOMEBUYER PRO FORMA PACKET EVALUATION (8 pts.)		Points Possible
Homebuyer (NC & P/R/R)	Includes a Per Unit Development Cost Budget.	.5
Homebuyer (NC & P/R/R)	Cash flow during contract period demonstrates use of sale proceeds to fund subsequent units so as to ensure project is not over subsidized.	1
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a balanced Sources and Uses Statement including the NAHTF requested amount. [Sources=Uses].	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a projected per unit cost to build.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes a projected sale price per unit.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes projected amount of HBA to be provided per unit, if applicable.	.5
Homebuyer (NC & P/R/R)	Pro Forma Packet includes projected appraisal cost per unit (estimated value of completed unit) is provided.	.5
Homebuyer(NC)	If private developer will own completed units, a minimum of 10% of amount of non-admin NAHTF amount being requested is shown as owner equity in the Sources and Uses statement of the Pro Forma Packet.	1
Homebuyer (NC & P/R/R)	Overall quality and completeness. Variable. *May use decimals.	0 to 3

# APPLICATION QUESTIONS?



# Rental Project Reminder-

Rental Projects - Remember that Tenant Education is a requirement for Rental Projects.

NDED requires 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 with an online course. [\[www.Rentwise.org\]](http://www.Rentwise.org)

It is recommended that Tenant applications include an agreement to complete tenant education and provide proof of completion prior to move-in date.

For information on how Rentwise may be offered to tenants contact:

Nebraska Housing Developers Association

Amber Marker

[amber@housingdevelopers.org](mailto:amber@housingdevelopers.org)

402-435-0315 extension # 2

Follow instructions on how to name the application.

Enter name on Project Information page

See Section 8 of the Application Guidelines.

Project Information

Application Information

Application Name\*

How much are you requesting from the funder?

Award Requested\*

How much are you planning to contribute to the budget?

Cash Match Requirement  ⓘ

Cash Match Contributions\*

Naming Application is in Section 8.3.

Important!! Do **NOT** use name of the preparer organization when creating the application name unless applicant organization and preparer organization are the same entity.

**Format for naming a Housing Development application:**

(PreApp) 2024NAHTF (Applicant Name) (Type) (Primary activity)

**Example of Pre-App Name:** PreApp 2024NAHTF *Applicant Name* HB NC HBA

**Example of Full App Name:** 2024NAHTF *Applicant Name* HB NC HBA

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

**Format for naming a Technical Assistance application:**

Example TA Pre-Application: PreApp 2024NAHTF ABC Housing TA

Example TA Full Application: 2024NAHTF ABC Housing TA

# Select the Project's Service Area

## Instructions for Selecting Service Area

Typically an Applicant will fill out EITHER the County selection OR the Community selection, but NOT both. If questions, please contact a Housing Program Representative (Link to contact information found in next section).

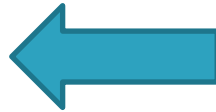
If project will serve an entire county or multiple counties, select all counties it will serve.

**NOTE:** If selecting a county, Applicant is indicating that the program will serve ANY communities within that county.

Select all applicable Counties. (Hold down the ctrl (Windows) or cmd (Mac) button to select multiple items).

Please Select All...

- Adams |County
- Antelope |County
- Arthur |County
- Banner |County
- Blaine |County
- Boone |County
- Box Butte |County
- Boyd |County
- Brown |County

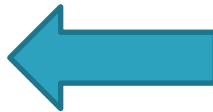


Fill in one or the other, NOT BOTH.

If project will serve only a select community or several communities, but not an entire county, select the specific communities to be served by this project.

Select all applicable Communities. (Hold down the ctrl (Windows) or cmd (Mac) button to select multiple items).

- Abie |Village
- Adams |Village
- Ainsworth |City
- Albion |City
- Alda |Village
- Alexandria |Village
- Allen |Village
- Alliance |City
- Alma |City
- Alvo |Village





# Technical Assistance Application

## **Need examples of policies and processes for internal controls and financial management?**

Applicants of Technical Assistance applications will be asked to provide a general statement that may include staff roles, the line of authority and basic responsibilities for financial management. Examples of processes and policies an organization may have in place are listed below.

### ▪ **Examples of internal control processes:**

- Requiring two signatures on a check ...
- Segregating staff duties ...
- Conducting background checks of staff who handle money ...
- Keeping cash locked in a drawer ...
- Reconciling bank statements monthly ...
- Preauthorizing expense reimbursements
- Approving Timesheets
- Board review of financial reports

### ▪ **Examples of financial management policies:**

- Policy statement on conflicts of interest
- Clear authority to spend funds, bill payment approval, check signing, and payroll
- Clear assignment of authority to enter into contracts
- Clear responsibility for maintaining accurate financial records
- Policy that describes how cash is handled

# LEVERAGED FUNDS

## SECTION 7.2 PAGE 19

**NAHTF is not intended to fund entire projects.**

Leveraged funds are funding sources other than Nebraska Affordable Housing Trust Funds used during the contract period to finance the hard costs of the project's primary and support activities.

Examples:

- Bank line of credit
- Non-DED awards
- Private investment
- Owner Equity

The Leverage Table should NOT include the following:

- Cash Match
- Homebuyer or Homeowner Contributions
- Homebuyer Mortgage or Rent Payments
- General Administration Costs
- Housing Management Costs
- Pre-Development Costs
- Post-Development Costs
- Proceeds from sale of the project's NAHTF funded units

SEE APPLICATION GUIDELINES FOR **DETAILS ON CASH MATCH AND LEVERAGE.**

# LEVERAGED FUNDS

**Question:** Will an application be awarded leverage points for a line of credit that the developer is using in the project?

**Answer:** The applicant will show the developer's line of credit as a source of income in the Sources and Uses document. The Line of Credit will be evaluated against the total development cost and amount of trust funds invested in the project in order to assess the leverage points for the application.



# General Administration

## *Housing Development Award*

- Technical Assistance Awards do not have this category.
- Applicants with Housing Development projects **may request up to \$20,000 per award** over and above the amount requested for costs in the Primary and Support activity categories.
- The request should be reasonable when considering the amount and type of award being requested. DED will use its discretion when awarding this amount.

### Typical Costs of General Administration

Staff Time for completing activities  
Accounting of Funds  
Payment Requests  
Special Conditions Requirements  
Completion of Reports

Marketing (program as whole)  
Fair Housing Activity Completion  
Request for Proposals for Services

# Housing Management

## *Housing Development Award*

These may request **up to \$5,000 per unit**; not to exceed \$75,000

- New Construction,
- Purchase/Rehab/Resale,
- Owner-occupied Rehabilitation,
- Homebuyer Assistance with Rehabilitation,
- Rental Rehabilitation, and
- Rental Rehabilitation by Conversion.

HBA only may request up to \$2,500 per unit; not to exceed \$75,000

- When Homebuyer Assistance is the only primary activity

**Example:** A Rental New Construction project constructing 10 units may request up to \$50,000 to be budgeted for Housing Management. ( $\$5,000 \times 10 \text{ units} = \$50,000$ )  
To calculate, use the total number of units **to be completed during the contract period.**

Typical Costs in this Activity

- credit reports
- title binders and insurance
- surety fees; recordation fees
- transaction taxes
- legal and accounting fees (address-related)
- requests for bids; appraisals
- site review and work write-ups
- related professional services
- homebuyer/tenant education/counseling
- pre-construction conferences
- bid meetings
- staff costs directly related to projects
- holding costs

# There are three types of NAHTF assistance in Homebuyer Projects.

Be clear in your Project Description and Pro Forma which type of assistance you are using NAHTF for.

- **Development Subsidy**—This is a subsidy that stays with a unit because it is not recaptured through net sale proceeds or loan repayments. It is 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. This subsidy does not need secured.
- **Affordability Subsidy**—This is a subsidy used to fill the funding gap created by the 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 Subsidy is \$25,000 ( $\$200,000 - \$175,000 = \$25,000$ ). The \$25,000 Affordability Subsidy must be protected by either Resale Provisions (secured by a covenant) or Recapture Provisions (secured by a lien). An Affordability subsidy is paid back upon title transfer.
- **Direct Homebuyer Assistance**—Direct Homebuyer Assistance is a subsidy or a 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 \$275,000 and they need 20% of the purchase price ( $\$275,000 \times 20\% = \$55,000$ ) to be able to close on their loan. The homebuyer has \$5,000 in their own cash to apply at closing, therefore \$50,000 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 per unit).

*NOTE: In cases where both an affordability gap and a 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.*

# Additional Resources

- ❖ **Application Guidelines Version 1.3** was posted on 3.13.24. See **Record of Change** to find out what has been updated.
- ❖ **Frequently Asked Questions** FAQ's will be posted periodically as needed in the Q & A box on the NAHTF web page.
- ❖ **Supplemental Guidance** slide deck is found under the Training and Workshops section of the NAHTF web page. Applicants should review prior to making full application.
- ❖ **Full Application Recorded Guidance** has been posted under Training and Workshops on NAHTF web page.