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

Office Hours: Application Outreach

Homeownership Production Program

May 11, 2023



Good Life. Great Strength.

Webex 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.

AGENDA

Introductions

Program Overview

Application for Funding Process

Next Steps

Questions

Introductions

Housing Programs Lead:

Christina Zink *Housing Program Manager*

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

Jenny B. Mason Disaster Recovery Director

Aaron Boucher Community Development Specialist

Tia Loftin *Infrastructure Match Program Manager* Susan Nickerson Disaster Recovery Coordinator

AGENDA

Introductions

Program Overview

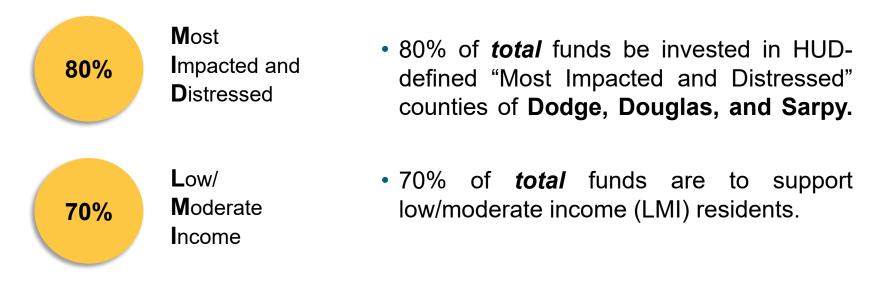
Application for Funding Process

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Brief Point of Context

Of the total CDBG-DR award, federal rules require that:



Brief Point of Context, Continued

- Nebraska's overall CDBG-DR strategy includes funding for:
 - Planning
 - Infrastructure
 - Housing
- To provide flexibility for infrastructure and planning, the Affordable Housing Construction Program is targeted entirely to the HUDidentified MID Counties and LMI populations.
 - HPP is a "sub-program" within the broader Affordable Housing Construction Program

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Affordable Housing Construction Program

	Afforda	able Housing Construction P	rogram
	Homeownership Production Program	Small Non-LIHTC Rental Production Program	LIHTC Gap Financing Program
	All programs provide fi	nancing to support productio	n of affordable housing.
•	Available for affordable for-sale housing targeted primarily to LMI buyers. Financing includes funding for appraisal gaps and affordability gaps.	 Available for affordable multifamily rental housing not otherwise seeking LIHTCs. Financing includes gap or primary financing. 	 Available for affordable multifamily rental housing combined with LIHTC from NIFA. Financing includes gap financing.

Who is Eligible to Apply?

- Non-profit organizations under either 501(c)(3) or 501(c)(4) nonprofit organizations.
 - Will be designated as developers.
- Units of local government (e.g., counties, cities, or villages), PHAs, and Tribal Nations.
 - Will be designated as subrecipients.
- In practice, DED expects most applicants will be nonprofit developers.

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Homeownership Production Program Overview

• The Homeownership Production Program (HPP) is being implemented to support recovery from the 2019 floods using funds from a Community Development Block Grant - Disaster Recovery (CDBG-DR) grant received from the U.S. Department of Housing and Urban Development (HUD). HPP is available within the counties defined by HUD as the "most impacted and distressed" (MID), which include Dodge, Douglas, and Sarpy counties.

• Goals of the HPP:

- Increase opportunities for owner-occupied, affordable housing in floodimpacted (i.e., HUD MID) areas; and
- Increase community resiliency in the face of future natural disasters.

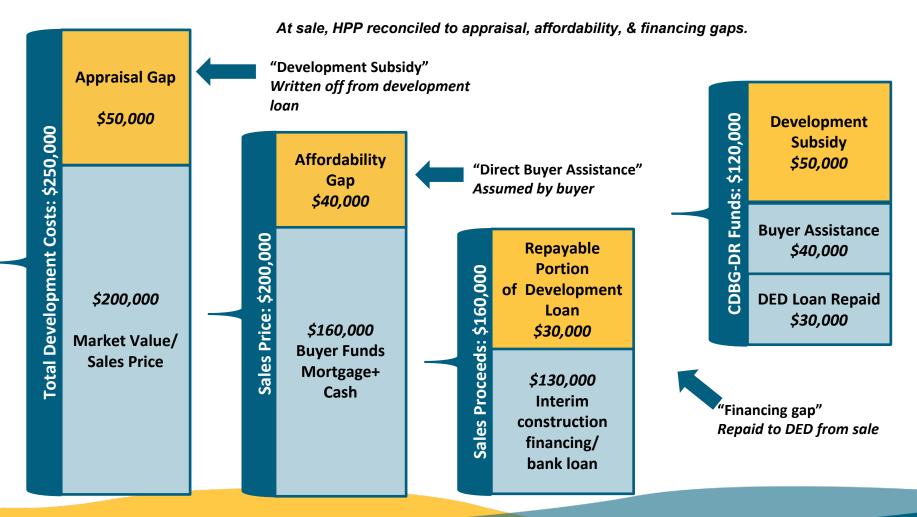
HPP Overview, Continued

HPP financing may be used to address three types of funding gaps common in the production of affordable homeownership units:

- **Appraisal gap**: It is common for the cost of building a home to exceed its appraised value. This difference is often referred to as the "*appraisal gap*." Without a development subsidy to address the appraisal gap, units cannot be produced.
- Affordability gap: Even if subsidies are identified to cover the appraisal gap, the appraised value of the home often exceeds the purchasing power of low- and moderate-income households. This is an "affordability gap" in other words, the targeted buyers cannot afford to purchase the home outright, but need help with closing costs, prepaid expenses, and reducing their first mortgage to an affordable level. This is commonly provided in the form of second mortgage assistance to eligible buyers.
- **Financing gap**: Even when appraisal and affordability gap subsidies can be identified, developers of affordable homeownership projects often cannot obtain enough interim or construction financing from private sources to fund the development of the home until sale to the end buyer. This is a "*financing gap*."

Sample Funding Walkthrough

Functional Use



But what if we're not sure how a specific project is going to work out?

What if our "gaps" are off?

Application

- Typical cost
- Typical value
- Typical buyer

Commitment

- House-specific costs
- Appraisal (ascomplete)
- Updated buyer profile
- Actual other financing

Sale/Closeout

• Final actuals for all critical metrics

Cross-Cutting Requirements











Fair Housing and Equal Opportunity

Labor Standards

Property Standards

Environmental Review Relocation Requirements



Minority – and Women- Owned Business Enterprises



Section 3



Green Building Standards



Duplication of Benefits



Procurement* If applicant is a subrecipient

Environmental Review

Subject to National Environmental Policy Act of 1969 (NEPA), HUD's implementing regulations at 24 CFR Part 58, and other related Federal and State environmental laws.

There are two (2) fundamental aspects of NEPA:

- Public Participation: The public must be informed about the project before it begins.
- Limitation on Activities Before Environmental Clearance: The Responsible Entity (RE) for the project must obtain Environmental Clearance prior to proceeding with the project.



Taking a Choice Limiting Action after application and prior to completion of ER process will make a project ineligible for federal assistance

• Includes purchasing property, demolition, site prep/clearance, site work, any rehab/construction work, etc.

Buyer Eligibility Requirements

- Buyer(s) are required to attend and complete a pre-purchase homebuyer counseling class provided by a HUD-approved counseling agency
 - Must be completed within 12-months prior to receiving HPP assistance
- Individual applicants must have a gross income of at least 40% and no more than 80% AMI
- Participating buyers must contribute at least 1% of the purchase price toward their down payment and closing costs
- The HPP affordability gap loan is forgiven on a prorated basis over five (5) years
 - Buyer(s) must maintain the home as their primary residence during the five years for the loan to be forgiven and not face recapture payment of the loan
- Buyers are required to execute a HPP Homebuyer Agreement in addition to the standard Note and Deed of Trust

Questions?

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Letter of Intent

- All HPP applicants are required to submit a Letter of Intent to allow DED to verify eligibility, provide technical assistance, allow sufficient time for application review, and plan for scoring.
- Only full applications, submitted by eligible applicants that have submitted a Letter of Intent will be accepted.
- The Letter of Intent template can be found in Part V: Exhibits of the HPP Application Guidelines.
- Letters of Intent must be received by no later than 5:00 pm, Friday, May 26, 2023.
- Failure to submit a Letter of Intent will result in an application not being reviewed, scored, or eligible for award.

Award Limits

The maximum award is up to **\$2,000,000**. Consistent with the Action Plan, awards are subject to the following additional restrictions:

- Not to exceed **\$150,000 per housing unit**; and
 - The \$150,000 award cap for each household includes all hard and soft construction costs.
- Not to exceed **\$50,000 per household** in the affordability gap
 - The affordability gap includes down payment and closing cost assistance

Additional detail on eligible costs can be found in the HPP Program Guide, Section 7.4.

Application Timeline

	Homeownership Production	on Program (HPP) Timeline	
Date	Event/ Action	Location	Responsible Party/ies
Thursday, May 11, 2023	Application Information Session at 9:00AM CST/8:00AM MST	WebEx https://sonvideo.webex.com/ weblink/register/r7ccb64fb6b 69617133604468ddd7797d	NDED
Thursday, May 11, 2023	Application Portal opens at 12:00PM CST/11:00AM MST	CDBG-DR webpage https://opportunity.nebraska. gov/programs/community/cd bg-dr/	NDED
Friday, May 26, 2023	Required Letter of Intent must be received by 5PM CST/4PM MST	Email completed LOI to: <u>christina.zink@nebraska.go</u> <u>V</u>	Applicant
Thursday, June 1, 2023	Office Hour at 9:00AM CST/8:00AM MSTs	Available via email notification	NDED
Thursday, June 15, 2023	Application Closes at 5PM CST/4PM MST	Completed in AmpliFund https://opportunity.nebraska. gov/cdbg-dr	Applicant
Monday, July 17, 2023	Notification of Intent to Award*	Issued via email	NDED

*In the event the HPP funds are not all awarded in the 2023 application cycle, DED will initiate a second application cycle. Similarly, in the event DED increases the funds allocated to AHCP, DED may re-consider acceptable applicants not previously selected for funding without re-opening the Program.

Application for Funding Overview

The Application for Funding is made of up of the following sections:

- I: Project and General Information
- II: Project Readiness
- III: Application Questions
- IV: Proposed Funding Summary and Budget
- V: Terms of Acceptance



Part I: Applicant Information

Opportunity Details Project Information Budget* Forms Performance Plan* Submit Plan* roject Information Help Download Save Save & Cont Application Information Lectorization Lectorization Lectorization	
Application Information	
	ntinue
Application Name* (1)	
w much are you requesting from the funder?	
Award Requested* \$0.00	
Total Award Budget \$0.00	

Part I: Project and General Information

orms	Help 🔓 Download Save & Continue
ame Status	Print
Part 01: Applicant, Contact and Preparer Information New	0
Part 02: Project Information New	8
K K S I S I Z5 V Items per page	1 - 2 of 2 item

Part I: Project and General Information

	Opportunity Project Application Budget* P Details Information Forms (2)	Plan*
Part 01: Applicant, Cont	tact and Preparer Information	Download Save Save & Continue
Primary Contact - Organization *		
Primary Contact - Title *		

Part I: Additional Contact Information

Additional Contact Information
The Primary Contact Information is on the previous page, Project Information section. The Primary Contact is the main point of contact for this application
Secondary Contact
The Secondary Contact may work for the Applicant organization or a different organization.
Secondary Contact - First Name
Secondary Contact - Last Name
Secondary Contact - Title
Secondary Contact - Email Address
Secondary Contact - Phone Number (000000000)
10
Secondary Contact - Extension
Does the Secondary Contact work at the Applicant's organization? O Yes O No

Part I: Project and General Information Cont.

Project Details and Description

Instructions

For new construction: provide a summary of the number of proposed homes, description of size (e.g. 3 bedroom, 2 bath, 1,500 sq. ft.), the location (e.g. major cross streets or neighborhood boundaries if proposing multiple homes), whether homes are new construction or acquisition rehab, anticipated target income range for buyers, and other source(s) of funding.

For rehabilitation or mix of new and rehab: please provide additional narrative clarifying the scope of the proposed project(s). What is the planned scope of work for any units that will be rehabilitated? Will the project involve "gutting" the existing structure such that all interior spaces and systems (e.g., MEPs, windows, roof, etc.) will effectively be new or will there only be "selective" rehabilitation for those spaces and systems most in need of replacement?

Project Description *

Is this project located in the MID counties of Dodge, Douglas, or Sarpy County? * ~

Select an item....

Project site(s) *

Select an item

Provide a physical address. If individual site(s) have not yet been identified, e.g., for an infill proposal on scattered sites to be identified, then describe the boundaries of the neighborhood in which the homes will be built.

If known, provide project physical address

Provide the project area zip code(s). Include all project area zip codes that apply. If more than one zip code applies, separate them with a comma.

Project Area Zip Code(s) *

Provide the project area census tract(s) *

26

Part I: Project Details and Description Continued

Construction type *		
Select an item	×	
Unit Type(s) *		
Select an item	▼	
Total # of Units *		
0.00		
# Affordable Units *		
0.00		
9.99		
# Market Units *		
0.00	s per unit. Include all unit types that apply. If more than one type, separate with a comma and designate how many of each (e.g., 6 2BRs, 6 3BRs, 6 4BRs).	
0.00 Provide the number of bedroo # Bedrooms per unit *		
0.00 Provide the number of bedroo # Bedrooms per unit *	s per unit. Include all unit types that apply. If more than one type, separate with a comma and designate how many of each (e.g., 6 2BRs, 6 3BRs, 6 4BRs). and green building standards selected. *	
0.00 Provide the number of bedroo # Bedrooms per unit * Identify the CDBG-DR mitigati	and green building standards selected. *	
0.00 Provide the number of bedro # Bedrooms per unit * Identify the CDBG-DR mitigati Is this project located within a	and green building standards selected. *	
0.00 Provide the number of bedroo # Bedrooms per unit * Identify the CDBG-DR mitigati	and green building standards selected. *	
0.00 Provide the number of bedro # Bedrooms per unit * Identify the CDBG-DR mitigati Is this project located within a	and green building standards selected. *	
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0.00 Provide the number of bedro # Bedrooms per unit * Identify the CDBG-DR mitigati Is this project located within a Select an item Is the project located within a Select an item	and green building standards selected. * O-year flood plain? * v odway? *	

Part II: Project Readiness

Project Readiness
Does the applicant have site control (e.g., title, purchase option, etc.) for any or all of the proposed units? *
Select an item
Is the proposed project part of a larger effort? *
Select an item
Attach a map that shows the location of the project site(s)
UPLOAD: Project Site Map *
Choose File
Please explain your recent and/or ongoing experience with the development and sale of similar regulated affordable housing, *
Are all sites appropriately zoned? * Select an item
Are there additional planning/permits required? * Select an item
Are all sites served by appropriate infrastructure (e.g., electrical, water/sewer, geothermal, etc.)? *
Select an item V
Please provide a brief overview of any additional details that pertain to the zoning and development of this project. *
NOTE: Sites should provide reasonable access to retail (e.g., grocery, pharmacy, general retail, etc.), educational opportunities, medical services, recreational amenities, job centers, transit, and public/governmental services.

Part II: Project Readiness Continued

Does the site have reasonable access to retail, educational opportunities, medical services, recreational amenities, transit, public/governmental services? * Select an item...

NOTE: Sites should not be disproportionately impacted by incompatible nearby uses such as industrial facilities, hubs for commercial truck traffic, landfills, adult entertainment establishments, or similar land uses.

Is this site disproportionately impacted by incompatible nearby uses (e.g., industrial facilities, hubs for commercial truck traffic, landfills, and adult entertainment establishments)? * Select an item...

Instructions

The following questions provide information on project readiness as it relates to staff capacity.

If you have the staff related to the position, please provide the additional detail.

Do you have staff identified for overall project Leadership and Management? * Select an item...

Do you have staff identified for Site Selection/Negotiating Acquisitions?* Select an item...

Do you have staff identified for Construction Planning/Design? * Select an item...

Do you have staff identified for Contractor Identification/Selection/Oversight? * Select an item...

Do you have staff identified for Marketing/Sales/Homebuyer Program Manager? * Select an item...

Part II: Project Readiness Continued

Has the applicant identified a HUD-approved housing counseling agency that will work/is working with homebuyers? * Select an item...

Instructions

Please provide descriptions of all for-sale homeownership projects completed by your organization in the last five (5) years, including any currently under development and/or land held (or under option) for additional projects.

The description must identify the number of units produced, total/average cost per unit, sales prices/market values, and sales history including number of units sold, average (and maximum) time on the market from listing to sales contract, and typical income range of buyers.

Applicants must identify if any units developed took longer than six (6) months between construction completion and sales contract execution and whether any units were converted from for-sale to rental as a result of the inability to identify a qualified buyer.

Upload as 1 file.

UPLOAD: For-Sale Projects *

Choose File

Part III: Application Questions

Application	Questions
Is the applicant aware of any Select an item	NEPA concerns for any site(s)? (Noise, Historic Significance, Wetlands, Endangered Species, Other) *
Have specific rehabilitation pl	an(s) (i.e., scope of work) been determined (rehabilitation or mix of new and rehabilitation projects only)? * 🗸
Were any of the homes to be Select an item	acquired/rehabilitated originally built before 1978? *
What is the estimated cost/su	bsidy per beneficiary? *
0.00	
Does the project support or a	ddress the needs of a PHA? *
Select an item	×
Does the project prioritize vu	nerable populations? Check all that apply. *
2019 Winter Storm Ulmer	
Low-to-moderate income i Persons with disabilities	ndividuals/families (30-60% AMI)
Seniors	
Homeless	

Households at risk of homelessness

O None of the above

31

Part III: Duplication of Benefits

Duplication of Benefits

What is the cost of the project? (Total project cost) *

0.00

Have you received any payment of any funds to date for your project? *

Select an item...

×

Part IV: Proposed Project Budget and Narrative

Proposed Project Budget and Narrative
Instructions
Enter the following total dollars amounts.Upload corresponding commitment letter(s) as 1 file.
CDBG-DR Funds amount requested is entered on the Project Information and Budget sections of this application.
Local Funds (This includes any private/bank construction financing or equity committed as working capital by the applicant.)
0.00
UPLOAD: Local Funds - Commitment Letter(s) * Choose File
Private Funds *
UPLOAD: Private Funds - Commitment Letter(s) * Choose File
Other Federal Funds * 0.00
UPLOAD: Other Federal Funds - Commitment Letter(s) * Choose File

Part IV: Proposed Funding Summary and Budget

Proposed Funding Summary and Budget

Does the applicant have preliminary commitments for construction period financing? *

Select an item...

Does the applicant plan to use its own working capital/equity as an interim source of finance? *
Select an item...

Has the applicant identified specific, local lenders that will provide end mortgage financing to homebuyers? * Select an item...

Instructions

Provide a narrative explaining the budget and each line item/expense for the program. Describe exactly what and who the CDBG-DR and other funding will pay for in this proposed project. How were costs determined? What is the source of the cost estimate? Please ensure that budget amounts listed in the narrative match the summary and budget worksheet.

Include Sources and Uses (i.e., total funding sources and total project development costs) table that balances to \$0.

Upload 1 file.

NOTE: The Grant Funded line items will be identical to the "Proposed Budget" line items in the next section (Budget Section).

UPLOAD: Budget narrative *

Choose File

Part IV: Proposed Funding Summary and Budget

Instructions

Upload proforma(s) for "typical" unit. If proposing mix of homes, e.g., 3-bed 1.5 bath and 4-bed, 2.5 bath, include typical proforma for each house type.

Upload 1 file (unlocked excel format).

UPLOAD: Proforma(s) Excel *

Choose File

Part IV: Budget

Budget			Help Download Save & Continue
Budget View Settings			
Options			
Line Items			
Proposed Budget			
Expense Budget			
Category	Grant Funded	Total Budgeted	
+ Acquisition	\$0.00	\$0.00	
+ Hard Costs	\$0.00	\$0.00	
+ Soft Costs	\$0.00	\$0.00	
Total Expense Budget Cost	\$0.00	\$0.00	
Revenue Budget			
Grant Funding			
Award Requested	\$0.00	\$0.00	
Subtotal	\$0.00	\$0.00	
Non-Grant Funding			
Subtotal		\$0.00	
Total Revenue Budget Cost \$0.00		\$0.00	
Total Overall Budget Cost \$0.00		\$0.00	

Other: Performance Plan

Help	Download	Save & Continue

Other: Uploads and Exhibits

Uploads and Exhibits

Demonstrated Need

UPLOAD: Housing Study (pdf) *

Capacity

UPLOAD: Key Staff Resumes/Consultant Contract/Statement *
Choose File

UPLOAD: Certification of Good Standing *

Choose File

UPLOAD: Charter/Articles of Incorporation/By-Laws/Board Resolution
Choose File

Investment Plan and Impact

UPLOAD: Annual Audit, or reviewed year-end Financial Statement *
Choose File

UPLOAD: Financial Accountability Notarized Statement/CPA Certification *

UPLOAD: Bank Information Letter *

Choose File

Uploads and Exhibits Continued

Readiness UPLOAD: Homebuyer Selection Process * Choose File UPLOAD: Implementation Plan * Choose File UPLOAD: Relevant Zoning approval/confirmation letters * Choose File UPLOAD: Map showing the location of the project(s) * Choose File UPLOAD: Appropriate infrastructure approval/confirmation letters * Choose File Exhibits UPLOAD: Letter of Intent * Choose File UPLOAD: Exhibit 10 - NDED Housing Site Review Form and Determination of Level of Review * Choose File UPLOAD: Exhibit 11 - Public Hearing Documentation * Choose File

UPLOAD: Exhibit 12 - Statement of Assurances and Certification Template *

Choose File

UPLOAD: Exhibit 13 - Residential Anti-Displacement and Relocation Assistance Plan *

Choose File

Part V: Terms of Acceptance

Terms of Acceptance

To the best of my knowledge and belief, data and information in this application are true and correct. The Applicant will comply with all requirements in the Homeowner Production Program.

By signing and submitting this form, I affirm that the governing body of the Applicant has duly authorized this application and I have been authorized to submit the application.

First and Last Name of Authorized Representative *

Authorized Representative Title *

Terms of Acceptance *

I understand that checking this box constitutes a legal signature confirming that I acknowledge the above Terms of Acceptance.

Date Signed *



Part Six: Submit



You are about to submit your application, (1), to Nebraska Department of Economic Development.

Take the time to review your application by using the timeline above. You can select any section and jump to that page.

When the application is fully complete, please select the "Submit" button. This will submit your final application to the funder.



Submit

Threshold Requirements

Threshold Requirements				
Letter of Intent submitted by the due date	□ Yes/ □ No			
Project incorporates CDBG-DR mitigation and green building standards	□ Yes/ □ No			
The project is NOT located in the floodway	□ Yes/ □ No			
The project is NOT located in the 100- year floodplain	□ Yes/ □ No			
Applicant has development experience, including staff and board expertise adhering to state and federal funding requirements	□ Yes/ □ No			

Competitive Selection Criteria

Crit	eria	Points Possible
teria*	Meets a National Objective: Benefitting LMI persons	1
Tiering Criteria*	Located in a HUD-defined MID (Dodge, Douglas, and Sarpy counties)	1
scoring	 Project Readiness Site control Identified buyers Identified HUD-approved Housing Counseling Agency 	3
Competitive Scoring	Cost per Beneficiary (not to exceed \$50,000 per buyer) Cost Reasonableness	1 5
Lo:	Resource Coordination	5
	Support and addresses needs of PHA(s)	1
	Marketing Plan: (Prioritization of disaster survivors, prioritization of vulnerable populations, and ongoing outreach efforts)	5
	al Possible Points	22
Min	imum Points Possible for Award	13

Questions?

Submission Summary

Submission Summary				
Letter of Intent	Full Application			
Submit via email to:	The full application must be completed in AmpliFund.			
Christina Zink , Housing Program Manager, Disaster Recovery, at <u>christina.zink@nebraska.gov</u>	Full application can be found here: <u>https://opportunity.nebraska.gov/cdbg-dr</u>			
Due: Friday, May 26, 2023 at 5PM CST/ 4PM MST	Due: Thursday, June 15, 2023 at 5 PM CST/ 4PM MST			

Next Steps







Visit the DED CDBG-DR Program Website

Submit Letter of Intent

Review Application Guidelines, Program Guide, and update/verify AmpliFund Log-In. Submit LOI to christina.zink@nebraska.gov by 5:00 pm CST May 26, 2023

Attend Future Office Hour

Attend open Office Hour on Thursday, June 1, 2023. Available via email notification.

Website: <u>opportunity. nebraska.gov/cdbg-dr</u>

Email: ded.cdbgdr@ nebraska.gov.

Additional Program Resources

• Reference the following documents for additional information:

- <u>Homeownership Production Program Factsheet</u> (sent via email)
- Homeownership Production Program Guide
- Homeownership Production Application Guide
- Affordable Housing Construction Program Frequently Asked Questions (FAQS)
- <u>CDBG-DR Green Building Standards</u>
- <u>HUD Community Development Block Grant Disaster Recovery Program</u> (CDBG-DR)

Screen shot of toolkit

Housing Programs

The CDBG-DR housing programs (Affordable Housing Construction Program and Homeowner Assistance Program) have been designed based on unmet needs and local priorities, as identified through feedback from local long-term recovery groups and local outreach efforts. See below for an overview of each housing program.

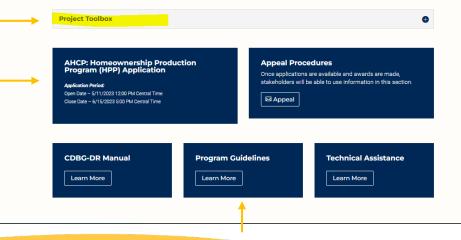
Affordable Housing Construction Program

Homeowner Assistance Program

Affordable Housing Construction Program

The Affordable Housing Construction Program is intended to increase the affordable housing supply in flood-impacted areas, including affordable rental housing and affordable homeownership for low- and moderate-income households that lost their homes in DR-4420. Funds may be directed to new construction or unit rehabilitation to offset the impact of disaster-related losses.

This Program will be delivered between multiple applications. The first application is in partnership with the Nebraska Investment Finance Authority where Low-Income Housing Tax Credits (LIHTC) and Collaborative Resources Allocation for Nebraska funding will be leveraged. Additional applications will be through DED directly, where LIHTC is not a funding source.



Contact Information

Christina Zink Housing Program Manager ded.cdbgdr@nebraska.gov



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