

# 2026 ANNUAL ACTION PLAN

STATE OF NEBRASKA CONSOLIDATED PLAN  
FOR HOUSING AND COMMUNITY  
DEVELOPMENT

**July 1, 2026- June 30, 2027**

**NEBRASKA**

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

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Executive Summary .....	3
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b) .....	3
PR-05 Lead & Responsible Agencies - 91.300(b) .....	6
AP-10 Consultation - 91.110, 91.300(b); 91.315(l) .....	7
AP-12 Participation - 91.115, 91.300(c) .....	18
Expected Resources.....	21
AP-15 Expected Resources – 91.320(c)(1,2) .....	21
Annual Goals and Objectives .....	30
AP-25 Allocation Priorities – 91.320(d).....	35
AP-30 Methods of Distribution – 91.320(d)&(k) .....	41
PROGRAM NAME: CDBG   Downtown Revitalization (DTR) .....	42
PROGRAM NAME: CDBG   Economic Development (ED) .....	45
PROGRAM NAME: CDBG   Planning (PP) .....	48
PROGRAM NAME: CDBG   Public Works (PW) – Infrastructure.....	51
PROGRAM NAME: CDBG   Public Works (PW) – Facilities .....	55
PROGRAM NAME: CDBG   Tourism Development (TD).....	58
PROGRAM NAME: HOME Community Housing Development Organizations .....	61
PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Program .....	66
PROGRAM NAME: HOME Rental Program.....	71
PROGRAM NAME: National Housing Trust Fund (HTF) .....	75
PROGRAM NAME: Nebraska Homeless Assistance Program (NHAP).....	80
PROGRAM NAME: HOPWA Program .....	84
AP-35 Projects – (Optional).....	88
AP-38 Project Summary .....	89
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii) .....	104
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii).....	105
AP-50 Geographic Distribution – 91.320(f) .....	106
Affordable Housing.....	108
AP-55 Affordable Housing – 24 CFR 91.320(g) .....	108
AP-60 Public Housing - 24 CFR 91.320(j).....	110

AP-65 Homeless and Other Special Needs Activities – 91.320(h) .....	111
AP-70 HOPWA Goals – 91.320(k)(4) .....	116
AP-75 Barriers to affordable housing – 91.320(i) .....	117
AP-85 Other Actions – 91.320(j) .....	119
Program Specific Requirements .....	121
AP-90 Program Specific Requirements – 91.320(k)(1,2,3) .....	121

## Appendices

Appendix 1.1   Estimated Allocation Table .....	138
Appendix 1.2   Estimated Categorical Distribution Table .....	139
Appendix 1.3   2026 ApplicationCycles .....	140
Appendix 2.1   CDBG Administration Manual, Program Income .....	141
Appendix 2.2   AP-90: CDBG Local Program Income .....	164
Appendix 3.1   HOME Program Additional Information .....	165
Appendix 4.1   HTF Rehabilitation Standards .....	169
Appendix 5.0   Public Notification and Comments .....	TBD

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

This is the second year of the five-year planning cycle for the State of Nebraska's Consolidated Plan (ConPlan). The ConPlan serves as the State's five-year strategic planning document for the U.S. Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) programs. The Annual Action Plan outlines the statewide strategies and activities that address community development, economic development, housing, and homelessness needs across Nebraska, and identifies how those needs will be addressed through HUD CPD funding sources, including the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME), National Housing Trust Fund (HTF), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

The purpose of the ConPlan is to identify priority needs and establish goals and strategies that guide the investment of available resources. In support of these efforts, the State remains focused on strengthening partnerships and collaboration among federal, state, and local governments, as well as private sector, nonprofit, and community-based organizations.

The Annual Action Plan is a collaborative effort between the Nebraska Department of Economic Development (DED) and the Nebraska Department of Health and Human Services (DHHS). The 2026 Annual Action Plan covers the program year beginning July 1, 2026, and ending June 30, 2027.

### 2. Summarize the objectives and outcomes identified in the Plan

The State of Nebraska's objectives are to lay a foundation to grow and strengthen communities through providing safe and sanitary housing, a suitable living environment, expanded economic opportunities and providing services to special population groups that provide housing opportunities to persons living with HIV/AIDS and in making homelessness rare, brief and unrecurrent.

Outcomes are measured through tangible indicators which demonstrates a results-oriented approach in developing sustainable communities through:

- Increasing the availability of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska by:
- Homelessness: intended to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at risk of becoming

homeless by distributing Emergency Solutions Grant Program funds and Homeless Shelter Assistance Trust Funds.

- Economic Development: intended to foster the competitiveness of Nebraska's business and industrial sector, and as a result, assist in economic development of Nebraska's communities and people.
- Community Development Priority Needs: intended to strengthen Nebraska communities through community development programs and services to provide a stable platform for economic development.

Public Services: to provide new or existing service(s) which increases the number of LMI persons served.

Persons with HIV/AIDS: intended to ensure appropriate emergency and/or permanent housing and services for people who are homeless or at imminent risk of becoming.

### **3. Evaluation of past performance**

Nebraska's evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). These documents state the objectives and outcomes identified in each year's Annual Action Plan and include an evaluation of past performance through measurable goals and objectives compared to actual performance. These documents can be found on the Department of Economic Development's website at: <https://opportunity.nebraska.gov/programs/plans-reports>.

### **4. Summary of Citizen Participation Process and consultation process**

The 2026 Annual Action Plan was made available on the DED website on May 15, 2026, and paper copies were made available upon request. Per the Citizen Participation Plan, the public were informed of the 30-day public comment period (May 15, 2026 – June 15, 2026) and of the public hearing (May 19, 2026). The public notification was distributed electronically via email to local officials, developers, non-Profit organizations, development districts, the Nebraska Commission of Housing and Homelessness, and the Continuum of Cares throughout the State.

### **5. Summary of public comments**

Public Comment Period is underway

**6. Summary of comments or views not accepted and the reasons for not accepting them**

Public Comment Period is underway

**7. Summary**

The Nebraska Department of Economic Development will be the lead agency, and the Nebraska Department of Health and Human Services will be the partner agency for the Annual Action Plan.

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## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	NEBRASKA	DED   Community Development Division
HOPWA Administrator	NEBRASKA	DHHS   Public Health Division
HOME Administrator	NEBRASKA	DED   Housing Division
ESG Administrator	NEBRASKA	DHHS   Public Health Division
HTF Administrator	NEBRASKA	DED   Housing Division

**Table 1 – Responsible Agencies**

### Narrative

The Annual Action Plan was developed in partnership with the Nebraska Department of Economic Development (DED) and the Nebraska Department of Health and Human Services (DHHS). The CDBG, HOME, and HTF Programs are administered by DED within the Community Development Division and the Housing Division. The ESG Program is administered by DHHS within the Division of Public Health. The HOPWA Program is administered by DHHS within the Division of Public Health.

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

The State worked to strengthen coordination among housing and service providers across Nebraska through consultation efforts led by DED and DHHS during the development of the Consolidated Plan. Coordination efforts included meetings with housing stakeholders such as for-profit developers, regional Development District representatives, nonprofit organizations, and community members throughout the state. In addition, consultation was conducted with the behavioral health and mental health advisory committee. DED and DHHS also participate in meetings with this organization to gain a better understanding of the challenges, service gaps, and needs facing mental health and substance abuse service providers across Nebraska.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

The State worked to strengthen coordination among housing and service providers through consultation efforts led by DED and DHHS during development of the Annual Action Plan. Coordination activities included meetings with for-profit developers, regional Development District representatives, nonprofit organizations, community members, and behavioral health and mental health advisory groups to better understand the needs of mental health and substance abuse service providers across Nebraska.

The Nebraska Commission on Housing and Homelessness (NCHH), established in 1998, promotes public and private collaboration, develops policy and program recommendations related to affordable housing and homelessness, and serves as an advisory body to DED and DHHS programs. In coordination with DED, DHHS, and the statewide Continuum of Care (CoC) system, NCHH helps identify unmet needs and supports strategies to expand affordable housing and services across Nebraska communities.

NCHH membership includes governor-appointed representatives from housing providers, local and state government, homeless service organizations, community leaders, and other service agencies. Staff from the CDBG, HOME, ESG, HTF, and HOPWA programs actively participate in quarterly meetings focused on statewide coordination of housing, homelessness services, and support for persons experiencing or at risk of homelessness.

#### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

The Nebraska Homeless Assistance Program (NHAP) administers Emergency Solutions Grant (ESG) and Homeless Shelter Assistance Trust Fund (HSATF) resources to support a statewide Continuum of Care (CoC) approach addressing homelessness and housing instability. Nebraska's CoC system includes the Lincoln and Omaha entitlement CoCs and the five-region Balance of State (BoS) CoC serving rural Nebraska. NHAP coordinates statewide efforts through strategic planning, participation in CoC meetings, collaboration with ESG entitlement communities, HMIS support, and coordination of funding priorities. As part of DHHS, NHAP also works across state divisions to address service gaps related to behavioral health, child welfare, and public health.

The Nebraska Commission on Housing and Homelessness (NCHH) and the State CoC Committee provide statewide leadership and coordination on homelessness and housing initiatives. These groups support collaboration among state agencies, housing providers, homeless service organizations, and community partners to identify needs, develop recommendations, and implement Nebraska's Opening Doors 10-Year Plan to prevent and end homelessness. Coordination efforts increased significantly during the COVID-19 pandemic through regular meetings among state agencies, local officials, and housing and homelessness program administrators, many of which continue today on a monthly basis.

The BoS CoC serves as the governing body for the five rural regional coalitions, which meet regularly to coordinate housing and supportive services for persons experiencing or at risk of homelessness. NHAP also participates in the Omaha and Lincoln CoCs to strengthen statewide coordination. In addition, HOPWA project sponsors, housing authorities, developers, nonprofit organizations, NIFA, NCHH, and other stakeholders collaborate with DED and DHHS to support affordable housing, special needs housing, and permanent supportive housing initiatives across Nebraska.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

NHAP works closely with Nebraska's Continuums of Care (CoCs) to identify funding priorities, evaluate program performance, and address service gaps using HMIS data, Point-in-Time (PIT) counts, Housing Inventory Counts (HIC), Longitudinal Systems Analysis (LSA) reports, and subrecipient performance data. ESG and HSATF funds are distributed through a statewide competitive funding process designed to ensure equitable allocation across Nebraska, with recommendations provided by a review team representing CoCs, DHHS, advocacy organizations, and other partners.

NHAP collaborates with all three CoCs to establish performance standards, evaluate outcomes, and strengthen strategies to prevent and end homelessness. The Balance of State (BoS) CoC

maintains Written Standards for ESG and CoC service delivery and oversees the statewide Coordinated Entry (CE) system, known as “All Doors Lead Home” (ADLH), which connects individuals experiencing homelessness to appropriate housing and services through a housing-first, client-centered approach. The ADLH further supports this effort by prioritizing placements for the most vulnerable individuals into permanent supportive housing, rapid rehousing, and transition-aged youth programs.

NHAP also supports ongoing HMIS coordination, training, and policy development through regular collaboration with CoC partners and HMIS lead agencies. ESG and HSATF funding continues to support statewide HMIS operations administered by the University of Nebraska–Lincoln Center on Children, Families, and the Law (UNL-CCFL) for the BoS and Lincoln CoCs, and the Institute for Community Alliances (ICA) for the Omaha CoC.

**2. Agencies, groups, organizations and others who participated in the process and consultations:**

Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.

<b>1</b>	<b>Agency/Group/Organization</b>	Nebraska Regional Officials Council (NROC)
	<b>Agency/Group/Organization Type</b>	Other government - State Other government - County Other government - Local Regional organization Planning organization Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation: Met three times as part of the consultation process to engage participation in the Needs Assessment and Market Analysis. Held four regional presentations in partnership with Development Districts.  Outcomes: Increase participation, streamlined communication, collaborative engagement in identifying priority needs and effective project and activities.
<b>2</b>	<b>Agency/Group/Organization</b>	NEBRASKA INVESTMENT FINANCE AUTHORITY
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis

	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	<p>The Nebraska Department of Economic Development and the Nebraska Investment Finance Authority have a joint effort in the HOME and HTF Programs.</p> <p>Outcomes: Ongoing engagement ensures consistent program delivery in identifying priority needs, setting goals and effective projects.</p>
<b>3</b>	<b>Agency/Group/Organization</b>	Nebraska NAHRO
	<b>Agency/Group/Organization Type</b>	Housing PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	<p>Consultation: Contact by email and in person at Fair Housing training to engage participation by Public Housing Authorities in the Needs Assessment.</p> <p>Outcomes: Increased participation by Public Housing Authorities and Low-income persons served by CPD programs.</p>
<b>4</b>	<b>Agency/Group/Organization</b>	Nebraska Community Action Agencies
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	<p>Consultation: In-person meeting to engage participation in the Needs Assessment and Market Analysis.</p> <p>Outcomes: Increase participation by low-income persons served by CPD funding, collaborative engagement in</p>

		identifying priority needs, setting goals and effective projects.
5	<b>Agency/Group/Organization</b>	Center for Children, Families and the Law - University of Nebraska
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - State Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation: communication to engage participation in the Needs Assessment and Market Analysis.  Outcomes: Increase participation by low-income persons served by CPD funding, collaborative engagement in identifying priority needs, setting goals and effective projects. Request for translation of Needs Assessment Survey.
6	<b>Agency/Group/Organization</b>	Nebraska Broadband Office
	<b>Agency/Group/Organization Type</b>	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation: In person consultation at Development District Meeting to engage participation in the Needs Assessment and Market Analysis.  Outcomes: Increased Needs Assessment data for in the accessibility, availability and affordability of Broadband in the state.
7	<b>Agency/Group/Organization</b>	Nebraska Coalition on Housing and Homelessness

	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide Health Agency Child Welfare Agency Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Publicly Funded Institution/System of Care Other government - State Other government - Local Regional organization Planning organization Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs HOPWA Strategy Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation: Presentation of ConPlan as part of the consultation process to engage participation in the Needs Assessment and Market Analysis.  Outcomes: Increase participation, streamlined communication, collaborative engagement in identifying priority needs and effective project and activities.
<b>8</b>	<b>Agency/Group/Organization</b>	Nebraska Emergency Management Agency
	<b>Agency/Group/Organization Type</b>	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management

	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The State consulted with NEMA as the State Agency that manages flood prone areas, public land and water resources, and emergency management.
<b>9</b>	<b>Agency/Group/Organization</b>	Nebraska Villages
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.
<b>10</b>	<b>Agency/Group/Organization</b>	First Class Nebraska Cities
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.
<b>11</b>	<b>Agency/Group/Organization</b>	Second Class Nebraska Cities
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.
<b>12</b>	<b>Agency/Group/Organization</b>	Nebraska League of Municipalities

	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.
<b>13</b>	<b>Agency/Group/Organization</b>	Nebraska Economic Developers Association
	<b>Agency/Group/Organization Type</b>	Planning organization Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Economic Development Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.
<b>14</b>	<b>Agency/Group/Organization</b>	Region 1 Panhandle
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.
<b>15</b>	<b>Agency/Group/Organization</b>	Region 2
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.

	<b>consultation or areas for improved coordination?</b>	
<b>16</b>	<b>Agency/Group/Organization</b>	Region 3
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.
<b>17</b>	<b>Agency/Group/Organization</b>	Region 4
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.
<b>18</b>	<b>Agency/Group/Organization</b>	Region 5
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.
<b>19</b>	<b>Agency/Group/Organization</b>	State CoC
	<b>Agency/Group/Organization Type</b>	Services-homeless Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy

	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan. In coordination with SP-60.
<b>20</b>	<b>Agency/Group/Organization</b>	NEBRASKA AIDS PROJECT
	<b>Agency/Group/Organization Type</b>	Services-Persons with HIV/AIDS Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs HOPWA Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted, invitation to participate in survey, public input meetings, and comment on draft plan.

**Table 2 – Agencies, groups, organizations who participated**

**Identify any Agency Types not consulted and provide rationale for not consulting**

NA

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	University of Nebraska, Center on Children Families and the Law	The BoS CoC has successfully implemented the Coordinated Entry system on January 17, 2018. NHAP is actively involved in the Coordinated Entry process through participation in the Coordinated Entry (CE) Planning committees and a standing member of the CE governing body. Successful coordinated entry requires the participation of all housing and service providers in the community, participate in a designated process to coordinate entry to housing, including the use of coordinated referrals and triage, common applications, common entrance criteria and centralized lists. The University of Nebraska Lincoln, Center on Children, Families, and the Law (CCFL) was designated by the BoS CoC as the Coordinating Entity. CCFL houses the Coordinated Entry Manager who is responsible for the day-to-day administration of the Coordinated Entry System.

**Table 3 - Other local / regional / federal planning efforts**

**Narrative**

(Optional)

**AP-12 Participation - 91.115, 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Internet Outreach	Non-targeted/ broad community	The Notice of Public Hearing and Public Comment Period was posted on DED's Website	Public comment period underway		<a href="https://opportunity.nebraska.gov/programs/plans-reports/">https://opportunity.nebraska.gov/programs/plans-reports/</a>
2	Other	Other – Government Officials	The press release was issued and distributed to the PIO list, Outlook state mailing list that includes all Nebraska government public information officers in different departments (currently 34).	Public comment period underway		
3	Other	Non-targeted/ broad community	A press release was issued and distributed through the DED internal listserv to the following groups: DED staff, CDBG Certified Administrators, and stakeholders who voluntarily signed up to receive updates.	Public comment period underway		

4	Other	Non-targeted/ broad community	Press release was issued and distributed by an external email to: Public Housing Authorities, Community Action Agencies, Nebraska Regional Officials Council (NROC), Lincoln Housing Authority, Omaha Housing Authority, The Nebraska Chapter of the National Association of Housing & Redevelopment Officials (NAHRO), Nebraska Association of County Officials (NACO), Nebraska City/County Management Association, Nebraska Municipal Clerks Association, Community Action Network of Nebraska, City of Lincoln, City of Omaha, Nebraska Housing Developers Association, Nebraska Economic Developers Association (NEDA), Nebraska State Home Builders Association, Nebraska Regional Official Council (NROC), and the League of Municipalities.	Public comment period underway		
5	Newspaper Ad	Non-targeted/ broad community	The public notification was sent to four Nebraska newspapers: Beatrice Daily Sun, North Platte	Public comment period underway		

			Telegraph, Norfolk Daily News, and Kearney HUB			
6	Other	Non-targeted/ broad community	Public hearings concerning the 2026 AAP were held on May 19, 2026, in-person and virtually.	Public comment period underway		
7	Internet Outreach	Non-targeted/ broad community	Posted on social media platforms Facebook & LinkedIn (Nebraska Department of Economic Development), and X (@DevelopNebraska) notifying the public of the public comment period and the public hearing.	Public comment period underway		
8	Other	Non-targeted/ broad community	Each month, DED shares a stakeholder newsletter featuring current initiatives, program updates, key developments, and news from across the state.			

Table 4 – Citizen Participation Outreach

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

**Introduction:** Below are the anticipated resources for CDBG, HOME, HOWPA, ESG and HTF.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	Public-federal	Acquisition Admin and Planning Economic Development Public Facilities Public Improvements	\$10,575,107.00	\$1,848,375.00	\$11,974,354.64	\$24,397,836.64	\$31,817,241.00

**Table 1 - Expected Resources – Priority Table**

#### Narrative Description

CDBG resources are provided to units of local government for eligible CDBG activities. The table identifies the CDBG annual allocation, estimated program income, and estimated prior-year resources available for distribution. The estimated CDBG program income available for distribution includes funds from the CDBG State Revolving Loan Fund (State RLF - \$145,198.00) and CDBG Program Income retained at the local level (Local PI - \$1,703,177.00). Please refer to Appendix 1.1 for a detailed breakdown.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
HOME	Public-federal	Admin Acquisition Homebuyer Assistance Multifamily rental new construction Multifamily rental rehab New Construction for ownership TBRA	\$3,886,307.57	\$0.00	1,168,631.51	\$5,054,939.08	\$8,634,119.15

**Narrative Description**

HOME resources primarily used for rental development and homebuyer activities to serve as a gap financing tool that significantly impact the development of affordable housing. Homebuyer activities include new construction. HOME funds may also be allocated toward construction, construction subsidy and homebuyer subsidy if paired with a homebuyer activity. No less than 15% of the resources will be utilized for CHDO-eligible activities. State recipients of resources may also receive administrative funds up to 10% of the allocation to be used for state administration and planning costs. DED will adjust the actual allocation each program year as HUD makes the allocations available.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
HTF	Public-federal	Admin Acquisition Multifamily rental new construction Multifamily rental rehab New Construction for Home Ownership	*\$3,134,373.20	\$0.00	*\$431,837.46	\$3,566,210.60	\$8,865,626.80

**Narrative Description**

HTF resources are primarily used for rental housing development and acquisition, rental rehabilitation, and operating assistance and operating reserves for extremely low-income persons at or below 30% of the Area Median Income. HTF Funds serve as a gap financing tool for the development of affordable housing. Funds will be distributed to projects as identified within the AP-30: Methods of Distribution and the HTF Allocation Plan through the following set-asides: LIHTC 9% and 4% application cycles, CRANE, Targeted Needs, and Permanent Housing. Each program year, up to 10% of the allocation will be used for state administration. DED will adjust the actual allocation each program year as HUD makes the allocations available.

\*Amounts are approximate at time of publication. HTF Annual Allocations have not been announced, and prior year resources can change by end of program year 2025 with requested payment requests before June 30, 2026.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
ESG	Public-federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$989,144.00	\$0.00	\$0.00	\$989,144.00	\$2,946,184.00

**Narrative Description**

ESG resources are allocated to non-profit agencies throughout the state to provide ESG-eligible homeless and at-risk of homelessness services for the Nebraska Balance of State CoC. Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities and provide matching funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
Other - HSATF	Public-federal	Admin and Planning Financial Assistance Overnight shelter Permanent housing in facilities Permanent housing placement Rapid re-housing (rental assistance) Rental Assistance Services Short term or transitional housing facilities Supportive services Transitional housing	\$2,041,732.30	\$0.00	\$0.00	\$2,041,732.30	\$5,608,293.22

**Narrative Description**

The Nebraska Homeless Shelter Assistance Trust Fund (HSATF) is based on a twenty-five-cent set aside on each \$1,000 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales as established in 1992, LB 1192, §2.

Program	Source of Funds	Uses of Funds	Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total \$	Expected Amount Available Remainder of ConPlan
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$955,484.00	\$0.00	\$0.00	\$955,484.00	\$955,484.00

**Narrative Description**

The majority of HOPWA resources are leveraged with resources from Community Action Agencies and paired with the Ryan White Part B Program. Up to 3% of the HOPWA allocation can be used for state administration. Up to 7% of the total amount awarded to a project sponsor can be utilized for administration. The DHHS HOPWA Program will adjust its and their Project Sponsors estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how**

## **matching requirements will be satisfied**

### CDBG

A portion of the 2026 allocation is reserved for state administration and technical assistance activities, which are subject to the combined statutory limit of 3 percent of the total base allocation plus \$100,000, in accordance with 24 CFR 570.489(a). These funds support program administration and technical assistance efforts designed to strengthen the capacity of units of local government and nonprofit organizations. Technical assistance activities are included within the overall administrative cap and do not constitute a separate funding category.

State recipients and subrecipients may also receive administrative funds as eligible CDBG activities. In addition, CDBG funds may be leveraged with other state, local, and private resources, as described in the AP-30 Methods of Distribution section of the Annual Action Plan and the 2026 CDBG Application Guidelines.

### HOME

HOME funds will be leveraged with other resources including low-income housing tax credits, private equity, and local resources. DED's HOME match reserve and/or NAHTF resources will be utilized to meet the HOME 25% match requirement for non-administration funds.

### HTF

HTF funds will be leveraged with a variety of public and private resources that may include but will not be limited to; low-income housing tax credits, developer equity, construction and permanent financing, partner contributions, and other state and federal resources that may be available to create successful HTF projects.

### ESG

ESG funds, through the Nebraska Homeless Assistance Program, will be matched with the Nebraska Homeless Assistance Trust Fund (HSATF), accommodating the 1:1 requirement per 24 CFR 576.201. The Nebraska Homeless Shelter Assistance Trust Fund (HSATF) is based on a twenty-five cent set-aside on each \$1,000 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales as established in 1992, LB 1192, § 2. Annually, the amount of HSATF funding varies based on tax revenue.

DHHS's ability to provide 100% of the match for ESG subrecipients is a benefit to non-profit agencies in order to provide homeless services, particularly in communities that are rural and/or have limited access to private and local funding sources.

Additionally, some of the NHAP-funded subrecipients are awarded HUD CoC funds to provide Permanent Supportive Housing (PSH) housing, Rapid Rehousing, and essential services to individuals, and/or are recipients of HUD Veterans Affairs Supportive Housing (VASH) funds to provide services for homeless veterans. Furthermore, several NHAP subrecipients also receive other federal funds (e.g., VAWA, FVSPA, SAMHSA) and other state, foundation and private resources. These funds are used in tandem with the NHAP funds to provide a continuum of services that meet the array of needs of homeless individuals across the State. The Nebraska Homeless Shelter Assistance Program coordinates with the Balance of State, Omaha, and Lincoln CoCs which assist in seamless provision of services to all homeless individuals across the State of Nebraska.

### HOPWA

For the HOPWA Program, the majority of leveraging of funds includes other public funding, such as Community Action Agencies, the Ryan White Parts B and C, and the Housing Choice Voucher Program. Leveraging private funding by the Nebraska AIDS Project-Flowers' Fund provides food, personal care, and transportation. All leveraged assistance that HOPWA clients receive from outside resources is entered into the E2 Nebraska Case Management software program to support completion of the Consolidated Annual Performance and Evaluation Report (CAPER).

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

Not applicable

## **Annual Goals and Objectives**

### **AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)**

#### **Goals Summary Information**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Availability of Affordable Housing	2025	2029	Affordable Housing	Statewide	Household with unmet housing needs	HOME \$8,634,119.15 HTF \$3,566,210.60	Rental units constructed: 28 Household Housing Unit  Rental units rehabilitated: 0 Household Housing Unit  Homeowner Housing Added: 2 Household Housing Unit
2	Community Development – Enhance public facilities and infrastructure	2025	2029	Non-Housing Community Development	Statewide	Community Development Priority Needs	CDBG: \$14,918,952.73	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35,000 Persons Assisted  Facade treatment/business building rehabilitation:  20 businesses
3	Economic Development	2025	2029	Non-Housing Community Development	Statewide	Economic Development Priority Needs	CDBG: \$5,907,603.80	Jobs Created/Retained 30 Jobs  Businesses assisted: 10 businesses assisted
4	Reduce homelessness by making homeless rare, brief, and non-recurring	2025	2029	Homeless	Statewide	Homelessness	ESG: \$989,144.00 HSATF: \$2,041,732.30	Tenant-based rental assistance / Rapid Rehousing: 150 Households  Assisted Homeless Person Overnight Shelter: 1,950 Persons  Assisted Homelessness Prevention: 945 Persons Assisted

5	Assist Persons with HIV/AIDS	2025	2029	Homeless Non-Homeless Special Needs	Statewide	Persons with HIV/AIDS	HOPWA: \$955,484	Public Service activities other than LMI Housing Benefit: 200 Persons Assisted  Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted  Homeless Prevention: 875 Persons Assisted  Housing for People with HIV/AIDS added: 15 Household/Housing Units assisted
6	Community Planning and Capacity Building	2025	2029	Administration and Technical Assistance	Statewide	Capacity Building through Admin & Planning	CDBG: \$713,849.90	Other: 1 Other

**Table 2 – Goals Summary**

**Goal Descriptions**

Goal Name	Goal Description
Increase Availability of Affordable Housing	Increase of affordable housing through housing development, preservation and homeownership that will primarily benefit extremely low and low to moderate income households. Such activities include new construction and rehabilitation of rental units, as well as new construction of owner-occupied units.
Community Development/Enhance Public Facilities and Infrastructure	The community development goal is to improve local facilities, address health and safety concerns and develop a greater capacity for growth. The objective is to increase the number of people receiving new or improved accessibility, availability or quality of suitable living environments through construction/rehabilitation of public infrastructure or public facilities improvements.
Encourage Economic Development	This funding goal helps communities strengthen the local economy in communities. The objective is to increase the number of people provided with new or improved availability/accessibility of economic opportunity through job creation/retention and further, increase the target areas of job training and expansion and improvements to infrastructure for business and downtown revitalization projects.
Reduce homeless by making homelessness rare, brief, and non-recurring	Provide Rapid Rehousing so persons who are homeless can secure permanent housing options which address their needs and encourage stability. Provide immediate emergency shelter to people who are homeless as a temporary measure until suitable permanent housing can be secured. Emergency shelter participants may include those individuals fleeing domestic violence/sexual assault/stalking/trafficking victims and may serve as a temporary refuge until individuals can return to their residence safely with supports in place. Assure needed services are provided to people who are at risk of becoming homeless to prevent entry into emergency shelter or other temporary housing.

Assist Persons with HIV/AIDS	The primary goals of the Program are to help provide activities that serve persons with HIV/AIDS throughout Nebraska. These include homeless prevention, public services, HIV/AIDS Housing Operations (hotel/motel vouchers), and TBRA activities.
Community Planning and Capacity Building	The State will use no more than \$100,000 plus 3% of the total CDBG grant amount, program income, and revolving loan funds for State administration and technical assistance of the program. No more than 20% of the total CDBG grant may be used for administrative, planning, and/or technical assistance combined costs from both state and local levels. Technical assistance is available to businesses and communities from the State during preparation of the business financing/infrastructure loan application process to ensure that the application will meet threshold requirements. In addition, the State provides or will provide technical assistance to units of local government in connection with community development programs.

## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

The following are allocation priorities for CDBG, HOME, HTF, ESG, and HOPWA. In addition, allocation priorities for HSATF resources are also identified.

### Funding Allocation Priorities

Program	Increase Availability of Affordable Housing	Community Development - Enhance public facilities and infrastructure	Encourage Economic Development	Reduce Homelessness	Assist Persons with HIV/AIDS	Community Planning and Capacity Building	Total
CDBG		70%	27%			3%	100%
HOME	100%						100%
HTF	100%						100%
HOPWA	0%	0%	0%	0%	100%	0%	100%
ESG	0%	0%	0%	100%	0%	0%	100%

Table 3 – Funding Allocation Priorities

### Reason for Allocation Priorities

Through experience and consultation, the allocation priorities for CDBG, HTF and HOME have been identified as noted above. The above amounts are approximations based on the percentages of resources that are used for various programs.

NHAP’s priority in allocating funding is to ensure that ESG and HSATF funds are utilized to meet our priority needs through a comprehensive approach to address the needs of people who are homeless or at risk of homelessness throughout the State of

Nebraska. Funding is distributed among the seven geographical regions in Nebraska based on a base amount and HUD's pro rata needs formula based on population and poverty levels

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The distribution of funds will address the following priority needs as follows:

**1. Housing Priority Need**

The proposed distribution of HOME and HTF Program funds is strategically structured to target critical housing needs, especially for low-income and vulnerable populations. This priority targets the increasing availability of affordable, decent, safe, and suitable housing as a part of balanced economic development in Nebraska.

First, the proposed allocations supports affordable rental housing through the HOME and National Housing Trust Fund (HTF) resources to produce and preserve rental units for extremely low-to moderate-income households. The investment addresses the objective of promoting additional affordable rental housing while mitigating the loss of existing affordable units, ensuring sustainable housing availability; homeownership opportunities will support buyer subsidy, homebuyer education and single-family ownership construction programs. By expanding access to homeownership, the plan promotes additional households into homeownership, thereby enhancing long-term community stability and individual wealth; as well as fair housing and legal compliance resources for statewide outreach and education for fair housing laws, ensuring equitable access to housing opportunities and compliance with HUD Regulations.

Second, the distribution of funds under HOME and NHTF will be distributed via competitive grants and direct awards to qualified developers, nonprofits, and housing organizations that demonstrate capacity and experience in serving low- and moderate-income households. Geographic and demographic targeting ensures equitable allocation to regions with the highest unmet housing needs, particularly areas with high concentrations of low-income households or identified housing gaps. Administrative set-asides and technical assistance will support effective program implementation and enhance subgrantee capacity.

Overall, the proposed distribution of HOME and NHTF funds in Nebraska is structured to systematically meet the priority needs for households with unmet housing needs. By targeting both rental and homeownership initiatives, fostering fair housing compliance, and coordinating with capable local organizations, the plan aims to achieve measurable outcomes that expand access to safe, affordable, and sustainable housing for low- and moderate-income residents, consistent with the objectives defined in the Consolidated Plan.

## **2. Community Development Priority Need**

The proposed distribution of funds is designed to directly address Nebraska's Community Development Priority Need by targeting investments that strengthen local infrastructure and support strategic long-term development. Through the use of Community Development Block Grant (CDBG) resources, the program aligns funding with primary objectives established by the State.

First, the proposed allocation supports the sustainability of infrastructure systems and community facilities by directing resources toward projects that improve essential public infrastructure, including water, wastewater, streets, drainage, public facilities, and other community assets. These investments help communities and counties address aging infrastructure, meet regulatory requirements, and establish a stable foundation for future economic growth. Funding priorities emphasize projects that are part of long-term community development strategies and that demonstrate readiness for implementation and long-term maintenance.

Second, the distribution of funds promotes investment in high-quality community development projects that are identified through formal planning processes. Proposed funding encourages projects that complement existing public and private investments, leverage additional financial resources, and generate broader community and economic benefits. By prioritizing projects with demonstrated local commitment, matching resources, and sustainable operational plans, the program ensures that limited CDBG funds are used efficiently and produce measurable long-term impacts for Nebraska communities.

Overall, the proposed distribution of CDBG funds addresses Nebraska's Community Development Priority Need by supporting infrastructure sustainability and encouraging strategic, leveraged community investments. Collectively, these investments provide

communities with a stronger platform for long-term economic development, improved quality of life, and sustainable community growth.

### **3. Economic Development Priority Need**

The proposed distribution of funds is designed to directly address Nebraska’s Economic Development Priority Need by supporting initiatives that strengthen business competitiveness, expand economic opportunities, and promote long-term community growth. Through the use of Community Development Block Grant (CDBG) resources, the program aligns funding with the primary objectives established by the State.

First, the proposed allocation supports the retention and expansion of existing businesses, the startup of new businesses, and the attraction of businesses relocating or expanding into Nebraska. Funding will assist communities in creating a favorable environment for economic growth through activities such as business assistance, infrastructure improvements, site development, and other economic development initiatives. These investments are intended to stimulate private investment, encourage entrepreneurship, create employment opportunities, and strengthen the long-term viability of Nebraska’s business and industrial sectors.

Second, the distribution of funds promotes investments in public facilities and infrastructure improvements that increase economic opportunities for low- and moderate-income persons. Proposed projects may include utility extensions, transportation improvements, industrial park infrastructure, and other public improvements that support business development and job creation. By prioritizing projects that create or retain jobs accessible to low- and moderate-income individuals, the program advances economic inclusion while supporting sustainable community development.

Third, the proposed use of funds supports effective and affordable tourism-related projects that contribute to local and regional economic growth. Investments in tourist attractions and related community assets—whether operated by nonprofit or for-profit entities—are intended to increase visitor spending, generate employment opportunities, and encourage additional private and public investment. Priority is placed on projects that demonstrate long-term sustainability, regional impact, and the ability to strengthen Nebraska communities as destinations for tourism and economic activity.

Overall, the proposed distribution of CDBG funds addresses Nebraska’s Economic Development Priority Need by supporting business growth, expanding economic opportunities for low- and moderate-income persons, and encouraging tourism-based development. Collectively, these investments provide a stronger foundation for job creation, private investment, and sustainable economic growth throughout Nebraska communities.

#### **4. Homelessness Priority Need**

The Homelessness Priority Need has been developed to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at risk of becoming homeless by distributing Emergency Solutions Grant funds and Homeless Shelter Assistance Trust Fund resources. This Priority Need includes two primary objectives:

- Provide appropriate shelter and/or housing to people who are homeless or at risk of becoming homeless; and
- Provide needed services to people who are homeless or at risk of becoming homeless.

The Nebraska Homeless Assistance Program (NHAP) will utilize HUD Emergency Solutions Grant (ESG) and Homeless Shelter Assistance Trust Funds (HSATF) to address the NHAP Priority Need by funding activities that provide a comprehensive approach to address the needs of people who are homeless or at risk of homelessness throughout the State of Nebraska. These activities are intended to assist in the provision of emergency services to literally homeless persons; prevention and alleviation of homelessness; provide temporary and/or permanent housing for persons who are homeless; and encourage the development of projects that link housing assistance programs with services to promote self-sufficiency.

#### **5. Assist Persons with HIV/AIDS**

The HOPWA Services Priority Need is intended to ensure appropriate emergency and/or permanent housing and services for people who are homeless or at imminent risk of becoming homeless by distributing funds to a project sponsor(s) to meet the needs of persons living with HIV/AIDS. This Priority Need assigns one primary objective that includes: Provide housing assistance and related supportive services to low-income persons with HIV/AIDS and their families and enable low-income persons with HIV/AIDS to achieve stability in housing, reduce risks of homelessness, and increase access to health care. HOPWA resources will be allocated to address the Priority Need and to address this specific objective. In addition, Nebraska’s HOPWA Program has identified the majority of homeless/chronically homeless clients have medical concerns and/or are not employed. Placing individuals into housing and

connecting them to healthcare are the first steps when services have been established. Utilizing Permanent Housing Placement, Short-Term Rent, Mortgage, and Utility assistance, and Tenant-Based Rental Assistance has proven to be the best use of HOPWA resources if the person is not eligible for other assistance.

## **6. Community Planning and Capacity Need**

The proposed distribution of funds is designed to directly address Nebraska’s Community Planning and Capacity Priority Need by supporting activities that strengthen local planning, administrative capacity, and long-term community development efforts. Through the use of Community Development Block Grant (CDBG) resources, the program promotes more effective, coordinated, and sustainable approaches to community development across Nebraska communities.

The proposed use of funds strengthens local planning and administrative capacity by supporting activities that improve the effectiveness, coordination, and efficiency of community development efforts. Funding for planning-related activities enables local governments to prepare comprehensive plans, conduct feasibility studies, develop capital improvement strategies, and enhance grant administration capabilities. These efforts help communities identify development priorities, establish long-term goals, and position projects for successful implementation and future investment opportunities.

In addition, the proposed distribution of funds supports capacity-building activities that improve local decision-making, financial management, and project oversight. Technical assistance and planning support increase the ability of communities—particularly smaller or rural jurisdictions with limited staff and resources—to compete for state and federal funding, manage complex development projects, and maintain compliance with program requirements. Strengthening local capacity also encourages regional collaboration and more strategic use of public resources to address community needs.

Overall, the proposed distribution of CDBG funds addresses Nebraska’s Community Planning and Capacity Priority Need by enhancing local planning capabilities, improving administrative effectiveness, and supporting long-term community development strategies. Collectively, these investments help communities build a stronger foundation for sustainable growth, resilience, and future economic opportunity.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

The Methods of Distribution will be identified for the federal resources: CDBG, HOME, HTF, ESG, and HOPWA. In addition, one state program Homeless Shelter Assistance Trust Fund (HSATF) is referenced within this section.

The IDIS eCon Planning Suite System generated the Distribution Methods by State Program. For purposes of providing the public with a clearer picture of the State’s method of distribution, the following table has been supplemented and reformatted.

### Distribution Methods

Program Name:
Funding Sources:
Describe the state program addressed by the Method of Distribution.
Describe all of the criteria that will be used to select applications and the relative importance of these criteria.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)
Describe how resources will be allocated among funding categories.
Describe threshold factors and grant size limits.
What are the outcome measures expected as a result of the method of distribution?

**Table 4 - Distribution Methods by State Program**

*PROGRAM NAME: CDBG / Downtown Revitalization (DTR)*

*Funding Sources:*

CDBG funds

Describe the state program addressed by the Method of Distribution.

CDBG funds can be utilized for downtown revitalization projects. The purpose of the Downtown Revitalization (DTR) opportunity is to leverage investments that support the revitalization and redevelopment of downtown infrastructure, strengthen community growth capacity, and address health, safety, and commercial needs within traditional business centers of Nebraska communities. The DTR funding opportunity has evolved over time and is formally documented as a distinct funding category in Nebraska since at least 2008. DTR provides a sound basis for fostering local economic development through public and private sector partnerships. This recognizes the importance of the condition and viability of a downtown to increase the community’s tax base and cultivates a tangible center for community activity. These projects directly relate to business retention, expansion, and location decisions, but also address public gathering space, recognizing that downtowns reflect the economic core and persona of our communities.

The primary objective for the DTR opportunity is funding projects meeting the CDBG national objective to aid in the prevention or elimination of slums or blight on an area (SBA). Activities proposed in applications for CDBG funding in the DTR opportunity may also meet the national objectives of benefitting low- and moderate-income persons (through the subcategories LMI Benefit as LMA on an Area Basis, LMC Limited Clientele, or SBS Slum/Blight on a spot basis).

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

The matrix below outlines the numerical scoring for each selection criterion within the opportunity. Applications may receive a maximum total of 100 points. Certain criteria also require applicants to meet specified minimum scores, as noted below.

Selection Criteria Matrix	Maximum	Threshold Minimum
Project Need	30	15
Project Impact	20	10
Project Readiness	30	10

Community Support	10	5
Achievements	10	-
Total points	100 points	40 points
On-Site Review (Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.)		

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

Describe how resources will be allocated among funding categories.

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

Describe threshold factors and grant size limits.

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Downtown Revitalization – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$400,000
General Administration	10% of CDBG Project Costs not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of CDBG Project Costs (excludes CDBG general administration and construction management.)

What are the outcome measures expected as a result of the method of distribution?

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of downtown areas.

*PROGRAM NAME: CDBG / Economic Development (ED)*

*Funding Sources:*

CDBG funds and CDBG State RLF

**Describe the state program addressed by the Method of Distribution.**

CDBG funds can be utilized for economic development projects. The objective of the Economic Development (ED) Opportunity is to assist businesses which expand the state’s economic base and which create quality jobs primarily benefiting employees in the low- and moderate-income levels.

CDBG funds will be utilized within the Economic Development Priority Need by a local unit of government for providing communities and counties with resources to assist for-profit businesses which expand the state’s economic base, and which create quality jobs principally benefiting LMI employees and made available under the LMI CDBG National Objective criteria.

In addition, the CDBG State Revolving Loan Fund (RLF) objective is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations. Program income for the state's program under the ED Opportunity is regulated by the provisions of 24 C.F.R. §570.489(e).

During the Program Year, all activities proposed in applications for CDBG funding in the ED Opportunity must meet the national objective of benefitting low- and moderate-income persons (through the subcategory LMI Jobs).

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

The Matrix below describes each selection criteria as a numerical score within the ED Category. The maximum number of points available within any application is 100 points. A minimum score of 25 points is required overall. Refer to Appendix 1.3 –Application Cycle for the application due date.

Selection Criteria	Maximum	Threshold Minimum
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CDBG Funding Utilization	35	-
Community Impact and Investment	30	-
Business Factors	30	-
Economic Development Certified or Leadership Community	5	-
Total Points	100	25

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

Describe how resources will be allocated among funding categories.

Refer to Appendix, Section 1.2–Estimated Categorical Distribution Table for the anticipated funding for this category.

Describe threshold factors and grant size limits.

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Economic Development Category – Key Minimums, Maximums, and Requirements	
Maximum CDBG Project Costs	\$500,000
Minimum CDBG Project Costs	\$125,000
General Administration	\$10,000 (flat amount)
Construction Management	\$5,000
Local Matching Funds	100% of Project Costs
Public Benefit Standards per FTE – Maximum	\$35,000

What are the outcome measures expected as a result of the method of distribution?

Through the ED Category, additional jobs will be created or retained throughout the state, which will create additional opportunities for Nebraskans, particularly those who are low- and moderate-income persons.

*PROGRAM NAME: CDBG / Planning (PP)*

*Funding Sources:*

CDBG funds

**Describe the state program addressed by the Method of Distribution.**

CDBG funds can be utilized for planning projects. Implemented in 2005, the purpose of the Planning (PP) funding opportunity is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

Successful efforts shall involve strategic planning, implementation, monitoring, and evaluation. The outcome of a successful planning process will ultimately provide information and data that will be used in future planning and implementation efforts. Successful projects arise from effective efforts to involve stakeholders and gain their support throughout the process.

Priority is given to projects that benefit low- and moderate-income persons.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The matrix below outlines the numerical scoring for each selection criterion within the opportunity. Applications may receive a maximum total of 100 points. Certain criteria also require applicants to meet specified minimum scores, as noted below.

Selection Criteria Matrix – Planning (PP) Opportunity	Points Possible	Threshold Minimum
Project Need	25	10
Project Impact	25	10
Project Readiness	25	10
Community Support	25	-
Total Points	100	30

**If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)**

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

**Describe threshold factors and grant size limits.**

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Planning Category – Key Minimums, Maximums, and Requirements	
Minimum Project Cost	\$20,000
Maximum: Individual Community, Project Costs	\$50,000

Maximum: Multi-Jurisdictional/Countywide, Project Costs	\$70,000
Local Matching Funds	Villages: 10% of CDBG Project Costs Second Class Cities: 20% of CDBG Project Costs Counties: 25% of CDBG Project Costs First Class Cities: 30% of CDBG Project Costs Multi-Jurisdictional: Match is determined by the classification of local unit of government participating in the application.
General Administration	10% of CDBG project costs not to exceed \$3,000

**What are the outcome measures expected as a result of the method of distribution?**

Through additional planning, communities and counties will be able to better prepare for potential projects throughout the state. These planning efforts will help provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out processes that lead to successful projects that direct resources toward State priorities.

*PROGRAM NAME: CDBG / Public Works (PW) – Infrastructure*

*Funding Sources:*

CDBG funds

**Describe the state program addressed by the Method of Distribution.**

The purpose of the Public Works-Infrastructure (PWI) opportunity is to provide for a broad range of investments to communities investing in effective and affordable infrastructure that address strategic long-term developments. A form of this funding opportunity has been in place since 2005, this opportunity recognizes the importance of the availability and condition of infrastructure. Funded projects shall develop the state’s communities and counties by providing residents with basic infrastructure with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the Program Year, all activities proposed in applications for CDBG funding in the PW - Infrastructure opportunity must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit and LMI Limited Clientele).

Note: Public Works projects that are eligible for funding for water/wastewater are those designed to address and resolve a specific problem/need that will contribute to the revitalization of a community or specific target areas that are contiguous and substantial, where there is a concentration of lower income persons. Activities given priority are publicly owned water system improvements including source treatment, storage and/or distribution improvements; publicly owned sanitary sewer collection; and/or treatment system improvements. When in support of any of the above activities, clearance activities may be undertaken. Applications that are submitted solely to reduce user fees or for possible cost overruns (if the project is funded by other resources) will not be considered for funding.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The Matrix below describes each selection criteria as a numerical score within the PW Opportunity. The maximum number of points available within any application is 100 points. A minimum score of 50 points is required and some criteria require a minimum score as noted below.

Selection Criteria Matrix	Maximum	Threshold Minimum
Project Need	30	15
Project Impact	20	10
Project Readiness	30	10
Community Support	10	5
Achievements	10	-
Total	100 points	40 points

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria?

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

***Describe how resources will be allocated among funding categories.***

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

**Describe threshold factors and grant size limits.**

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Public Works – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$600,000
General Administration (maximum)	\$ 25,000
Construction Management (maximum)	\$ 5,000
Match	Villages: 10% of CDBG Project Costs Second Class Cities: 20% of CDBG Project Costs Counties: 25% of CDBG Project Costs First Class Cities: 30% of CDBG Project Costs

**What are the outcome measures expected as a result of the method of distribution?**

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of infrastructure.

*PROGRAM NAME: CDBG | Public Works (PW) – Facilities*

*Funding Sources:*

CDBG funds

**Describe the state program addressed by the Method of Distribution.**

The purpose of the Public Works (PW) Opportunity is to provide for a broad range of investments to communities investing in effective and affordable facilities that address strategic long-term developments. This Opportunity recognizes the importance of the availability and condition of community facilities. Funded projects shall develop the state’s communities and counties by providing residents with basic facilities with the opportunity to maximize energy efficiency and provide a suitable living environment.

During the Program Year, all activities proposed in applications for CDBG funding in the PW - Facilities Opportunity must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit and LMI Limited Clientele).

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The matrix below outlines the numerical scoring for each selection criterion within the opportunity. Applications may receive a maximum total of 100 points. Certain criteria also require applicants to meet specified minimum scores, as noted below.

Selection Criteria Matrix	Maximum	Threshold Minimum
Project Need	30	15
Project Impact	20	10
Project Readiness	30	10
Community Support	10	5
Achievements	10	-
Total	100 points	40 points

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria?

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

**Describe threshold factors and grant size limits.**

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Public Works – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000
Maximum CDBG Project Costs	\$600,000
General Administration (maximum)	\$ 25,000
Construction Management (maximum)	\$ 5,000*

Match	Villages: 10% of CDBG Project Costs Second Class Cities: 20% of CDBG Project Costs Counties: 25% of CDBG Project Costs First Class Cities: 30% of CDBG Project Costs
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\*flexibility to adjust threshold for cause through a project wavier

**What are the outcome measures expected as a result of the method of distribution?**

Through CDBG resources, communities will be improved throughout the state through the increased accessibility, viability, and sustainability of facilities.

**PROGRAM NAME: CDBG | Tourism Development (TD)**

**Funding Sources:**

CDBG funds

**Describe the state program addressed by the Method of Distribution.**

CDBG funds will be used for economic development tourism focused projects. The purpose of the Tourism Development (TD) Opportunity is to provide investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective.

During the Program Year, all activities proposed in applications for CDBG funding in the TD Opportunity must meet the national objective of benefitting low- and moderate-income persons (through the subcategories LMI Jobs, LMI Limited Clientele) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

The matrix below outlines the numerical scoring for each selection criterion within the opportunity. Applications may receive a maximum total of 100 points. Certain criteria also require applicants to meet specified minimum scores, as noted below.

Selection Criteria Matrix	Maximum	Threshold Minimum
Project Need	30	15
Project Impact	20	10
Project Readiness	30	10
Community Support	10	5
Achievements	10	-

Total	100 points	40 points
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If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)

Complete information regarding the application criteria is available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at:

<https://opportunity.nebraska.gov/programs/community/cdbg>.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category.

**Describe threshold factors and grant size limits.**

The applicant must meet threshold requirements to be considered eligible for an award of funds. Applications may be considered incomplete if application thresholds are not met. DED will notify applicants not having met application threshold and will allow the applicant the chance to cure the deficiencies. Threshold minimums include:

Applicant is eligible. See Section 2.1.1.

Applicant has no significant, unresolved audit findings as issued by DED.

Applicant is current with all reporting requirements for open awards, including but not limited to, semi-annual project status reports, program income reports, closeout reports, audit reports, notification of annual audit reports, etc.

Application is complete for required exhibits.

Applicant has secured matching funds and met the required match percentage threshold at time of application (excludes Downtown Revitalization and project specific waiver)

Activities are eligible and are identified as a State CDBG Priority. See Section 2.3.1.

Grant Size Limits:

Tourism Development Category – Key Minimums, Maximums, and Requirements	
Minimum CDBG Project Costs	\$250,000

Maximum CDBG Project Costs	\$450,000
General Administration	10% of CDBG Project Costs, not to exceed \$25,000
Construction Management	\$5,000*
Local Matching Funds	25% of CDBG Project Costs
Public Benefit Standards per FTE (LMJ Only) – Maximum	\$35,000

\* flexibility to adjust threshold for cause through a project wavier

**What are the outcome measures expected as a result of the method of distribution?**

Additional tourist attractions funded by Tourism Development activities will increase opportunities throughout the state for persons within the communities where the projects are located and for those persons visiting the attractions.

*PROGRAM NAME: HOME Community Housing Development Organizations*

**(CHDO) Organizational Operating Program**

**Funding Sources:** HOME Program

**Describe the state program addressed by the Method of Distribution.**

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to Community Housing Development Organizations (CHDOs) on an annual basis through a non-competitive application process. The noncompetitive funding process is open to eligible state designated community housing development organizations. HOME Program funds are set aside funds to be used for CHDO Organizational Operating. Funds are distributed statewide.

Permissible uses of HOME Funds awarded to the CHDO for organizational operating expenses are for reasonable and necessary costs for the operation of the CHDO as specified in §92.208, including:

- Salaries, wages, benefits, and other employee compensation.
- Employee education, training, and travel.
- Rent and utilities.
- Communication costs.
- Taxes and insurance; and
- Equipment, materials, and supplies

Within the Housing Priority Need, HOME Program funds will be utilized for eligible CHDO operating funds throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs). An organization receiving funds under the CHDO Operating Open Cycle, cannot also receive an award under the CHDO Activity set-aside in the same program year.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Eligible applicants include regionally based non-profit 501(c)(3), 501(c)(4) housing organizations, or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The HOME CHDO Operating Program will be implemented by the HOME Investment Partnerships (HOME) Program within DED. The HOME Program will utilize a separate application open cycle titled the "CHDO Operating Cycle." HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

#### HOME PROGRAM GUIDELINES/ELIGIBILITY CRITERIA:

- Proposals will be evaluated in accordance with the established evaluation criteria for each type of project.
- Priority will be given to projects located in non-HOME entitlement localities, CHDO projects, and special needs projects in accordance with the housing needs assessment and market analysis.
- The eligibility of projects/ households for HOME assistance varies with the type of funded activity.
- HOME assisted households' income must not exceed 80 percent of the AMI.
- HOME income limits are published each year by HUD

Applicants who have outstanding audits or monitoring findings, unresolved IRS findings, and/or are not in compliance with previous DED agreements are ineligible for funding. Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the State of Nebraska. Please note that HOME compliance requirements apply. Other funding source requirements must be compatible with HOME program requirements.

The CHDO application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored. with an award maximum of \$50,000. As long as the award is not more than 50% of the CHDO's total operating expenses within that fiscal year (this also includes organizational support and housing education

provided under Section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under Section 92.208(a)). For application due dates, see Appendix 1.3.

If awarded a CHDO Operating award, the CHDO organization will be expected to have the capacity to have a CHDO Project within 24 months from receiving the CHDO Operating funds.

All qualified applications will be ranked based on the scoring criteria published in the Application Guidelines that will be posted on the DED website. Successful applicants will receive a funding commitment from the DED based on project needs, up to the amount of funds available for the funding round. Per-project funding limitations are published in the applicable application.

Complete application guideline information will be made available within the CHDO Operating Open Cycle Application. The Guidelines will provide specific details on the application questions, threshold requirements, and any other necessary items. This information will be available on the DED website at: <https://opportunity.nebraska.gov/programs/housing/home/> after July 1, 2026.

Overall, the information provided above is a summary of the criteria that will be utilized within the HOME CHDO Operating Cycle.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Operating Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked against all eligible applications. The award maximum is \$50,000.

If there are not enough qualifying applications to fund in the HOME CHDO Operating Cycle annually, funds may be moved to another HOME funding category to ensure timely allocation of funds.

**Describe threshold factors and grant size limits.**

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will certify/recertify

nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2

The following criteria will be verified by DED:

1. HOME CHDO applicant's eligibility on sam.gov.
2. Applicant is eligible (non-profit: proof of non-profit status and Certificate of Good Standing).
3. The activity, project and property type are eligible and comply with HOME regulations.
4. Applicant has addressed all outstanding compliance and/or monitoring issues Applicant is current with all reporting requirements of existing awards throughout the Department.
5. Applicant has shown significant progress (including expenditures through pay requests) on prior HOME CHDO awards. In general, DED will review projects that have been previously funded.
6. Applicant successfully completed the Eligibility Certification or Re-certification process.
7. All required documents are uploaded and reviewed for content and meet program requirements.
8. Budget is complete, clear, and correct.
9. All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with writing binding commitments at application.
10. All monitoring findings have been cleared.
11. Compliant with all current contracts/written agreements.
12. Conformance with all original project timelines or has obtained department approvals for revisions or amendments to their project timelines.
13. For previous approved projects, environmental clearances have been obtained and scope of work has begun.
14. Applicant do not have existing contracts in which project completion reports and data have not been submitted and accepted by DED within 60 days of a final draw.
15. The applicant has no current contract in which funds have not been drawn for 6 months.
16. Applicant with contracts in their twenty-fourth (24th) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated.
17. Applicant has no outstanding or unresolved contractual, property or beneficiary-related compliance issues Failure of the applicant to meet all the threshold requirements (threshold questions) will result in the Application not being approved or funded during the 2026 HOME CHDO Cycle.
18. The applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: [www.sam.gov](http://www.sam.gov);

19. And all funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with written binding commitments at application.

State Certified/Recertified CHDOs will be selected through the HOME CHDO application process. The CHDO Operating Cycle award maximum is \$50,000.

**What are the outcome measures expected as a result of the method of distribution?**

The HOME CHDO Operating Program will aid organizations in developing a HOME CHDO eligible homebuyer activity for lower-income households. The department will use its HOME allocation for program funding to increase the capacity of the applicant. The department anticipates assisting two (2) organizations with HOME CHDO Operating funds.

*PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Program*

**Funding Sources:** HOME Program

**Describe the state program addressed by the Method of Distribution.**

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to Community Housing Development Organizations (CHDOs) on an annual basis through a non-competitive application process. The noncompetitive funding process is open to eligible non-profit organizations and state designated community housing development organizations. HOME Program funds are used to provide flexible, below-market-rate loans to projects that create or preserve affordable housing for lower-income households. Eligible activity types include homeownership development, homebuyer assistance, acquisition, and new construction). Funds are distributed statewide.

Within the Housing Priority Need, HOME Program funds will be utilized for eligible CHDO homebuyer activities throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs). An organization receiving funds under the CHDO Activity set-aside, cannot also receive a CHDO Operating Award in the same program year.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Eligible applicants include regionally based non-profit 501(c)(3), 501(c)(4) housing organization, or section 905 (subordinate organization of a 501(c) organization) organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will designate nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The HOME CHDO Program will be implemented by the HOME Investment Partnerships (HOME) Program within DED. The HOME Program will utilize a separate application open cycle titled the “CHDO Cycle.” HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

#### HOME PROGRAM GUIDELINES/ELIGIBILITY CRITERIA:

- Proposals will be evaluated in accordance with the established evaluation criteria for each type of project.
- Priority will be given to projects located in non-HOME entitlement localities, CHDO projects, and special needs projects in accordance with the housing needs assessment and market analysis.
- The eligibility of projects/ households for HOME assistance varies with the type of funded activity.
- HOME assisted households’ income must not exceed 80 percent of the AMI.
- HOME income limits are published each year by HUD

Applicants who have outstanding audits or monitoring findings, unresolved IRS findings, and/or are not in compliance with previous DED agreements are ineligible for funding. Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the State of Nebraska. Please note that HOME compliance requirements apply. Other funding source requirements must be compatible with HOME program requirements.

The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored, and recommended for award, with award maximum of \$650,000, and organizational operating maximum of \$20,000. For application due dates see Appendix 1.3.

All qualified applications will be ranked based on the scoring criteria published in the application guidelines. Successful applicants will receive a funding commitment from the DED based on project needs, up to the amount of funds available for the funding round. Per-project funding limitations are published in the applicable application, RFP or NOFA. Complete application guideline information will be made available within the CHDO Program Open Cycle Application. The Application will provide specific details on the Application questions, threshold requirements, and any other necessary items. This information will be available on the DED website at: <https://opportunity.nebraska.gov/programs/housing/home/>.

Overall, the information provided above is a summary of the criteria that will be utilized within the HOME Program CHDO Program Cycle.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Program Application Cycle. The CHDO Program Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked against all eligible applications. The two highest scoring applications will be recommended for award, with a award maximum of \$650,000, and organizational operating maximum of \$20,000.

If there are not enough projects to fund in the HOME CHDO Program category, funds may be moved to another HOME funding category to ensure timely allocation of funds.

**Describe threshold factors and grant size limits.**

Eligible applicants include regionally based non-profit 501(c)(3), 501(c) (4, or section 905 (subordinate organization of a 501(c) organization) housing organizations with the provision of decent housing that is affordable to low- and moderate-income persons among the purposes of the organization.

In addition, these organizations must meet and satisfactorily demonstrate the prescribed requirements in the CHDO Certification/Recertification guidelines. DED will certify/recertify nonprofit organizations that meet defined criteria as CHDOs. A CHDO is defined in the HOME Investment Partnerships Program Final Rule Subpart A, §92.2.

The following criteria will be verified by DED:

1. HOME CHDO applicant’s eligibility on sam.gov.
2. Applicant is eligible (non-profit: proof of non-profit status and Certificate of Good Standing).
3. The activity, project and property type are eligible and comply with HOME regulations.
4. Applicant has addressed all outstanding compliance and/or monitoring issues.
5. The amount of HOME funds invested per unit does not exceed the program limits and is at least \$1,000/unit.
6. Applicant has certified that all development will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances.
7. FOR CHDO PROJECTS ONLY - If the project involves new construction and/or subdivision infrastructure development (excluding projects with direct subsidy only for new construction where no development subsidy or infrastructure is involved), please attach a development proforma detailing incremental development.

Note: Projects involving New Construction and/or Subdivision Infrastructure will be required to complete the following steps prior to a Notice of Release of Funds or prior to a stage mutually agreed upon by the applicant and DED during contract negotiations.

These steps include:

- a. The site(s) must be reviewed and approved by DED housing staff prior to any activity occurring, including land purchase. The awardee must request a site review from their DED Program Representative no later than 60 days prior to purchase. <https://opportunity.nebraska.gov/program/home/#guidelines>
- b. Site Plan and Preliminary Architectural Designs must be reviewed and approved by DED Program Representative prior to any activity occurring, including land purchase.
- c. A final Development Pro Forma based upon the approved site, site plan, and preliminary architectural designs must be reviewed and approved by the DED Program Representative prior to any activity occurring, including land purchase.

8. If you are proposing a lease-purchase project, attach the proposed lease agreement.
9. Fair Housing – FOR CHDO HOUSING DEVELOPMENT PROJECTS ONLY provide an explanation of the Fair Housing Act and Section 504 accessibility requirements applicable to the project. Explain what Fair Housing Act and Section 504 requirements apply to the project and how they will be met and/or exceeded. Requirements are not limited to project design. DED may consult other agencies to review the project for compliance with these requirements.
10. Applicant is current with all reporting requirements of existing awards throughout the Department.
11. Applicant has shown significant progress (including expenditures through pay requests) on prior HOME CHDO awards. In general, DED will review projects that have been previously funded.
12. Applicant successfully completed the Eligibility Certification or Re-certification process.
13. All required documents are uploaded and reviewed for content and meet program requirements.
14. Pro forma is uploaded in excel format.
15. Budget is complete, clear, and correct.
16. All funding sources (loans, grants, fee waivers, land donations, etc.) must be secured with writing binding commitments at application.
17. All monitoring findings have been cleared
18. Compliant with all current contracts
19. Conformance with all original project timelines or has obtained department approvals for revisions or amendments to their project timelines
20. For all previous funded projects, environmental clearances have been obtained and scope of work as begun

21. Applicant has not existing written agreements in which project completion reports and data have not been submitted and accepted by DED within 60 days of a final draw
22. Applicant has no current written agreements in which funds have not been drawn for 6 months
23. Applicant with the written agreement in their twenty-fourth (24th) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated
24. Applicant has no outstanding or unresolved contractual, property or beneficiary-related compliance issues Failure of the applicant to meet all the threshold requirements (threshold questions) will result in the Application not being scored or funded during the 2026 HOME CHDO Cycle
25. The proposed beneficiaries are eligible; the amount of CHDO funds invested per unit does not exceed the program limits and is at least \$1,000/unit;
26. Applicant has certified that all development will meet, at a minimum, all local building codes and the property is properly zoned for the proposed use and meets local ordinances;
27. The applicant (and all of its team members) is not included on the Federal Excluded Parties List located at: [www.sam.gov](http://www.sam.gov); and

State Certified/Recertified CHDOs will be selected through the HOME CHDO Program application process. The program costs maximum is \$650,000, and the organizational operating maximum is \$20,000.

**What are the outcome measures expected as a result of the method of distribution?**

Through the HOME CHDO Program additional housing units will be occupied by LMI persons throughout the state. The additional number of affordable housing units will be quantified within the Consolidated Annual Performance Evaluation Report under the “Housing Program” Goal that is completed after the conclusion of the previous Program Year.

The Department will use its HOME allocation for program funding to increase the availability/accessibility and affordability of decent housing and provide suitable living environments for low-income households.

*PROGRAM NAME: HOME Rental Program*

**Funding Sources:** HOME Program

**Describe the state program addressed by the Method of Distribution.**

Each year, the U.S. Department of Housing and Urban Development (HUD) allocates HOME program funds to state governments as well as to local participating jurisdictions (PJs). State governments may use their HOME allocations to establish programs and to fund eligible activities throughout the state. The State of Nebraska HOME Program is administered by the Nebraska Department of Economic Development (NDED). NDED designs various housing programs and awards funds to 501(c)(3), 501(c)(4), for-profit developers, and local or regional Housing Authorities on an annual basis through competitive joint application cycles with Nebraska Investment Finance Authority (NIFA). Funds are distributed statewide.

Within the Housing Priority Need, HOME funds will be utilized for rental housing (both new construction and rental rehabilitation) through the joint application processes between NIFA and DED. NIFA will provide an allocation of Low-Income Housing Tax Credits (LIHTCs) and DED provides HOME funds to those applicants needing HOME resources for gap financing to make their tax credit projects feasible. The NIFA/DED joint application that comprises of a tax credit rental development program that uses 9% tax credits, or 4% tax bonds combined with other resources to provide affordable housing to low-income persons, at or below 60% of the Area Median Income, throughout the state. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional greater opportunity for DED to be able to invest HOME funds into quality multi-family rental projects, single-family rental projects, and rental rehabilitation projects to increase the supply of rental housing available for eligible households. All areas of Nebraska are eligible for these rental projects, including the participating jurisdictions of Omaha and Lincoln.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Eligible applicants include c 501(c)(3), 501(c)(4), for-profit developers, and local or regional Housing Authorities. 501(c)(3), 501(c)(4) non-profit organizations must include affordable housing in their mission. These applicants may partner with rental housing developers and must include housing in their mission in order to complete the joint NIFA/DED application.

NIFA administers the application process that begins with the completion of a Qualified Allocation Plan (QAP). The QAP provides details on the LIHTC allocation process. Further information and details can be found within the QAP at: <https://www.nifa.org/res-dev/application>.

A joint NIFA/DED application is completed online in order for eligible applicants to apply for LIHTCs and HOME resources. The NIFA/DED application includes a variety of detailed selection criteria which include, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. Within the joint NIFA/DED LIHTC 4% tax bond and 9% program cycles, a portion of HOME resources will be utilized. One cycle will be available the 4% bond round and one cycle for the 9% LIHTC. The 4% and 9% LIHTC program cycles are competitive cycles for applicants throughout the State of Nebraska and the second cycle is the CRANE cycle which gives preference to special needs populations as defined within the CRANE application. Participation in the NIFA/DED joint application will occur as long as the funding is available to fund projects. DED reserves the right to not participate in a joint application.

The following selection criteria, all given equal consideration, will be used to evaluate HOME Rental Applications:

**Effective Use of HOME Funds (for developments applying for HOME Program funds)** Prior to the scoring team meeting, NDED will independently evaluate each of the applications, which include a request for State HOME Program funds. This evaluation will be based upon the information contained in the joint NIFA/NDED application to ensure that the following items are satisfied:

- Site plans have been prepared which are appropriate for the development and development's location;
- Applicant has obtained appropriate site control; c) All subsidies needed for the development are in place or applicant has provided sufficient documentation that all subsidies are obtainable;
- A syndicator has provided a firm commitment to the applicant for the development;
- Construction financing has been secured for the development;
- Permanent financing has been secured for the development (if permanent financing is required);
- The Development Worksheets submitted by the applicant evidence that the financing terms and debt service coverage will provide for long term sustainability of the development; and
- The request for HOME funds does not exceed 25% of the total development costs.
- Efficient Housing Production for HOME Funds will be evaluated by cost per unit, cost per residential finished square foot (not including garages, unfinished basements, and storage areas), and HOME per occupant.
- Each project will be evaluated in accordance to 24 CFR 92.250.

- NDED will work and notify applicants prior to the full application deadline if NDED has approved the project site.
- NDED will provide the scoring team with a list of developments that it's prepared to fund based on the criteria set forth in the QAP, Annual Action Plan and Program Guides. NDED will issue a notice of intent to Applicants requesting HOME funding based on the final ranking made by the scoring team, approval by NDED Directors, and the NIFA Board of Directors, as funds are available.
- NDED reserves the right to reduce the amount requested regardless of ranking.

Refer to Appendix 1.3 for application deadlines.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for LIHTC/HOME. All applicants follow the application cycles and guidelines as outlined on NIFA's website found at <https://www.nifa.org/res-dev/application>. All applicants will need to meet underwriting requirements to be considered for funding. After determining that applicants meet underwriting requirements, the applications are scored and ranked against other eligible projects. HOME funding will begin with the highest ranked joint applications and continue down the list until the HOME Funds have been fully awarded to eligible applicants. To receive HOME Funding, the application needs to receive tax credits from the LIHTC program through NIFA.

If there are not enough projects to fund in the HOME Rental category, funds may be moved to another HOME funding category to ensure timely allocation of funds.

**Describe threshold factors and grant size limits.**

Only eligible HOME applicants can apply for HOME resources within the NIFA/DED application cycles. Several Threshold Exhibits are required during the application process that include architectural plans; an affirmative marketing plan; site control; site visit approval for HOME funded projects; subsidy information; investor letters; financing documentation; development worksheets; and other information (all of which is noted within the NIFA/DED application as mentioned above).

Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2025 and prior NIFA/DED Joint Application (HOME Program Year 2024 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HOME funds in the 2027 NIFA/DED Joint Application (HOME Program Year 2026).

The recommended HOME award maximum will be \$950,000; however, DED staff will work closely with applicants in order to determine the availability of HOME funds for any given project.

**What are the outcome measures expected as a result of the method of distribution?**

HOME resources, combined with LIHTCs, will create additional rental housing throughout the state. These additional units will serve low-income persons at or below 60% of the Area Median Income. These additional affordable housing units will remain affordable to low-income persons for up to 20 years for new construction of HOME rental units or 15 years for rehabilitation of HOME rental units.

*PROGRAM NAME: National Housing Trust Fund (HTF)*

**Funding Sources:** HTF Funds

**Describe the state program addressed by the Method of Distribution.**

Within the Housing Priority Need, HTF funds will be utilized for affordable, multi-family and single-family rental housing (both new construction and rental rehabilitation) made available to extremely low-income (ELI) persons on an area basis.

Eligible applicants may apply based upon one of three application types:

**Joint Application with NIFA**

Nebraska will reserve a portion of the State's annual HTF allocation for multi-family rental projects, single-family rental projects, and rental rehabilitation projects in coordination with Nebraska Investment Finance Authority (NIFA) through the joint NIFA/DED application cycles for Low-income Housing Tax Credits (LIHTC) within the 9% tax credit and the 4% tax bond cycle. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional opportunity for DED to invest HTF funds into quality multi-family rental projects, single-family rental projects, and rental rehabilitation projects in order to increase the supply of rental housing available for ELI persons.

The joint NIFA/DED application consists of three application cycles. One cycle is available for the 4% tax bond round and one cycle are available for 9% tax credits. The 9% tax credit application cycles consist of a competitive cycle for applicants throughout the State of Nebraska and the CRANE cycle, which gives preference to special needs populations as defined within the CRANE application.

NIFA will provide LIHTC allocations and DED will provide HTF funds to eligible applicants needing resources for gap financing to make projects feasible. The tax credit rental development program uses LIHTC combined with other resources to provide affordable housing to extremely low-income persons, at or below 30% of the Area Median Income. HTF funds will be distributed statewide. This allocation will be referred to as the "LIHTC Set Aside". Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

NIFA administers the application process beginning with the completion of a Qualified Allocation Plan (QAP). The QAP provides details on the LIHTC allocation process. Further information and

details can be found within the QAP located at: <https://www.nifa.org/developers-property-managers/lihtc-ahtc>.

### **Targeted Needs Housing Projects**

Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs rental housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale multi-family rental projects, single-family rental projects and rental rehabilitation projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”. Open Cycle Application is described in following section. Funds not utilized within this category may be utilized within the other set asides for the State to timely distribute HTF funds.

### **Permanent Housing Projects**

Nebraska will allocate the remainder of the State’s HTF annual allocation for permanent housing projects for the homeless, persons at risk of homelessness and other special needs populations. These funds will be made available for multi-family rental projects, single-family rental projects and rental rehabilitation projects within the Omaha CoC, Lincoln CoC and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside”. Open Cycle Application is described in following section. Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

### **Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Nebraska will distribute HTF funds through an open application cycle by selecting applications submitted by eligible recipients. Eligible recipients include local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations, local units of government, for-profit developers, non-profit housing providers, redevelopment organizations or public housing authorities. To be eligible for HTF assistance, a recipient must:

- Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities;
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and

- Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, manage, and operate an affordable multifamily rental housing development.

The HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. Applicants will need to meet threshold criteria to be considered for funding. Applications will be scored on 100 points with equal consideration given to the following categories: Geographic Diversity; Project Readiness; Priority Housing Needs, Non-Federal Funding Sources and Percentage of Total Units – HTF Assisted.

The following selection criteria, all given equal consideration, will be used to evaluate HTF applications.

Geographic Diversity	5
Project Readiness	25
Priority Housing Needs	20
Non-Federal Funding Sources	25
% Of Total Units-HTF Assisted	25

Overall, the information provided above is a summary of the criteria that will be utilized within the HTF Open Cycle.

A joint NIFA/DED application is completed online by eligible applicants to apply for LIHTC in combination with HTF resources. The joint application includes a variety of detailed selection criteria which includes, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. Within the joint NIFA/DED application cycles, a portion of HTF resources will be utilized. Participation in the joint NIFA/DED application will occur as long as funding is available for projects. DED reserves the right to not participate in a joint application round if HTF funds are depleted. Applications are located on NIFA’s website at: <https://www.nifa.org/developers-property-managers/lihtc-apply>.

Refer to Appendix 1.3 for application deadlines.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the HTF program.

Nebraska will reserve a portion of the State’s annual HTF allocation for affordable multi-family rental projects, single-family rental projects and rental rehabilitation projects in coordination with the Nebraska Investment Finance Authority’s (NIFA) through the joint NIFA/DED application cycles for Low Income Housing Tax Credits within the 9% tax credit cycle and the 4% tax bond cycles. This allocation will be referred as the “LIHTC Set Aside”.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs rental housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale multi-family rental projects, single-family rental projects and rental rehabilitation projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”. Funds not utilized within this category may be utilized within the other set asides for the State to timely distribute HTF funds.

Nebraska will allocate the remainder of the State’s HTF annual allocation for permanent housing projects for the homeless, persons at risk of homelessness and other special needs populations. These funds will be made available for multi-family rental projects, single-family rental projects and rental rehabilitation projects within the Omaha CoC, Lincoln CoC and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside”.

Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.

**Describe threshold factors and grant size limits.**

Only eligible HTF applicants can apply for HTF resources within the joint NIFA/DED application cycles and the HTF Open Cycle. A number of Threshold Exhibits are required during the application process that include: architectural plans; an affirmative marketing plan; site control; site review approval for HTF funded projects; subsidy information; investor letters; financing documentation; development worksheets; and other information (all of which is noted within the NIFA/DED joint application as mentioned above).

Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2025 and prior NIFA/DED Joint Application (HTF Program Year 2024 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HTF funds in the 2027 NIFA/DED Joint Application (HTF Program Year 2026).

Eligible applicants include: local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations; local units of government; and public housing authorities. In addition, to be eligible for HTF assistance, an applicant must meet the threshold items below:

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the seven housing selection criteria, and includes the following information, unless waived by DED for good cause. Applications missing any of the following threshold items after the application submittal will be deemed incomplete and the applicant will be notified. In the Targeted Needs set-aside and the Permanent Housing set-aside, reasonable time will be given to the applicant to submit the missing information.

Submit a complete application to the State. After applications are submitted, the State will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:

- Required application forms submitted: all required DED-provided forms for current year application will be posted on the DED website prior to the beginning of the application cycle.
- Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
- Applicants must comply in all respects with DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.
- Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.
- Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI). ☐ Demonstrate the financial feasibility of the project. ☐ Certify that housing assisted with HTF funds will comply with HTF requirement.
- Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year period of affordability is maintainable.
- All applicants will need to meet underwriting requirements to be considered for funding. After determining that applicants meet underwriting requirements, the applications are scored and ranked against other eligible projects.

HTF funding will be dependent on the type of program in which the applicant applies. Refer to Appendix, Section 1.2 for the distribution of the allocation for the HTF program. There is no maximum award limit within the set amount per set-aside and/or within the joint application with NIFA. DED staff will work closely with applicants in order to determine the availability of HTF funds for any given project.

Other threshold factors include:

Maximum Per-unit Development Subsidy Amount

The State will adopt limits used in other federal programs and will utilize the current HOME maximum per unit subsidy limits. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements.

The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska. The current limits include a calculation based on the Section 234 Basic (Elevator type) Limit up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1. The HOME Maximum Per Unit Subsidy Limits for Nebraska can be found at: <https://opportunity.nebraska.gov/programs/housing/htf/>.

**What are the outcome measures expected as a result of the method of distribution?**

It is anticipated that housing units for ELI persons (30% AMI or lower) will be created and retained throughout the state and additional permanent supportive housing and special needs housing will be made available. These additional affordable housing units will remain affordable to low-income persons for up to 30 years.

*PROGRAM NAME: Nebraska Homeless Assistance Program (NHAP)*

**Funding Sources:**

ESG funds and HSATF resources

**Describe the state program addressed by the Method of Distribution.**

The allocation priorities, statewide funding, and Homeless Services Priority Needs influence the methods of distribution for NHAP funding. ESG funds will be utilized, along with HSATF resources, to fund activities that take a comprehensive approach to address the needs of people who are homeless or at risk of homelessness in Nebraska. These activities are intended to: assist in the prevention and alleviation of homelessness; provide temporary and/or permanent housing for persons who are homeless; and to encourage the development of projects that link housing assistance programs with efforts to promote self-sufficiency.

The statewide Continuum of Care (CoC) system has been developed to help ensure that people who are homeless or at risk of homelessness can access needed emergency shelter, street outreach, homelessness prevention, and rapid rehousing services in each of Nebraska’s 93 counties. NHAP is the recipient of the ESG funds for the Balance of State CoC, which is allocated to the five rural CoCs, and of state HSATF, which is allocated to all seven regions. NHAP subcontracts with the City of Lincoln to allocate funds in combination with the City of Lincoln’s ESG funding. Eligible applicants apply for combined ESG and HSATF funding through a joint application developed by NHAP. The City of Omaha’s eligible applicants apply for HSATF funding through the regular NHAP application process and apply separately to the City of Omaha for ESG funds allocated to the region.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

NHAP adopted a three-year funding cycle in FY 2024. The first year involves a competitive application process that is open to any eligible applicant. The second and third year are an optional renewal only to existing NHAP recipients in good standing. For FY 2026, NHAP is in the final year of the three-year funding cycle. See <http://dhhs.ne.gov/Pages/Homeless-Assistance.aspx> for further information on the three-year funding cycle. Applicants are scored based on their capacity to meet the needs of homeless and at-risk-of-homelessness persons within their continuum and align with the statewide plan to end homelessness. NHAP funding is limited, thus making the application process extremely competitive.

NHAP applicants submit an extensive application which includes information on the applicant’s experience, fiscal stability, performance measures, and strategies for meeting federal program requirements, meeting the needs of the targeted populations in their community, supporting self-sufficiency of program participants, coordinating with mainstream services, collaboration with other homeless providers, participation in Coordinated Entry, utilization of guidance from the Housing First model, and projected outcomes for program participants. Performance

measures include the percentage of exits to positive housing destinations, the percentage of increases in cash and non-cash benefits, and the percentage of returns to homelessness.

Teams of independent reviewers score the applicants, and funding is allocated based on the applicant’s overall score, the identified need for services within the region, and alignment with the statewide plan to end homelessness.

In addition, NHAP subrecipients are monitored for program compliance and fiscal management. NHAP conducts these monitors through quarterly fiscal reviews and on-site monitoring visits. Feedback from the monitors is shared with the subrecipients and any corrective actions are noted. NHAP also collaborates with the monitoring agencies for the entitlement cities in Nebraska (Omaha & Lincoln) to share monitoring results to improve program outcomes for agencies where NHAP and HUD funding overlap. Monitoring results are shared with the review teams for final funding determination.

**Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)**

The State NHAP (ESG/HSATF) program is awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website and the Requests for Applications are distributed to each regional CoC email list. Funding by geographic region is announced prior to the application process. Funding awards are based on input from the applicable CoC to ensure an inclusive array of services in the region and review of the applications received to meet service needs in each geographical region. The eligible applicants are units of general local government and individual non-profits, including faith-based organizations.

**Describe how resources will be allocated among funding categories.**

ESG funds will be allocated among the HUD ESG eligible activities including Street Outreach, Emergency Shelter, Homelessness Prevention, Rapid Rehousing and HMIS. The estimated allocations are determined by program activity needs as presented in the NHAP application and evaluation of data within the CoC regions. It is ensured that no more than 60 percent of the total ESG award is allocated to Street Outreach (SO) and Emergency Shelter (ES) services.

Service	ESG Funds Only
Street Outreach (SO)	\$0

Emergency Shelter (ES)	\$445,114.80
<b>Maximum SO &amp; ES Subtotal (no more than 60% of Total Award)</b>	<b>\$445,114.80</b> <b>(45% of total award)</b>
Homelessness Prevention	\$227,503.12
Rapid Re-housing	\$168,154.48
HMIS	\$98,914.40
<b>Services Subtotal</b>	<b>\$939,686.80</b>
Estimated Administration	\$49,457.20
<b>Total ESG Award</b>	<b>\$993,144.00</b>

**Describe threshold factors and grant size limits.**

NHAP funding is based on the PPRN formula with a hold-harmless base. The formula helps ensure an equitable distribution of funds throughout the entire state. The formula is calculated using a \$50,000 base ‘hold harmless’ funding amount per geographic Region; the Department of Housing and Urban Development’s (HUD) annual Continuum of Care pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee. Due to annual fluctuations in the pro rata need amounts and the need to help ensure statewide continuity of necessary services, should applying the formula result in a decrease in funding from the prior year for the majority of the regions, or a significant increase in one or more regions, adjustments could be made to reduce the impact of the change in available funding by region.

**What are the outcome measures expected as a result of the method of distribution?**

Through the method of distribution which aligns with HUD best-practices models, based on a survey of needs in each regional continuum, increasing outreach by service agencies and expanding emphasis on Coordinated Entry for all homeless assistance providers, it is expected that the number of individuals will be served through Homelessness Prevention and Rapid Rehousing programs will continue to increase and the number served through Emergency Shelter will decrease proportionally.

NHAP is the recipient of the ESG BoS funds, which are proportionally allocated per the HUD Preliminary Pro Rata Need formula to all 5 regions that comprise the BoS. The BoS ESG funds are combined with the HSATF funds for allocation to the BoS. Each of the 5 regional CoCs conducts discussions of needed services within their continuum after NHAP’s available funding is announced to ensure that a full array of services is available within the regional continuums and

expected outcomes are being achieved. NHAP's primary focus is to end all forms of homelessness. NHAP, with the CoC partners, is working to ensure that homelessness is rare, brief, and non-recurring. The BoS has achieved a functional zero of homelessness for veterans and will continue to place great emphasis on expanding Rapid Rehousing through Coordinated Entry to move all persons who are literally homeless to sustainable permanent housing. The outcomes, goals, and other performance measures over the past few years have reflected this substantial movement to promote placement of literally homeless households into permanent housing and to prevent at-risk of homeless individuals from entering the homeless system.

NHAP also allocates the HSATF funds to the entitlement CoC cities of Omaha and Lincoln. Currently, the Lincoln CoC ESG recipient is a subrecipient of NHAP. The Lincoln CoC utilizes the HSATF funds as matching dollars for the ESG funds which are conjoined and distributed through competitive application process. Currently, the outcome data is reported through the City of Lincoln CAPER report. The Lincoln CoC ESG recipient will award ESG and HSATF funding directly through the competitive application process in coordination with NHAP to ensure the array of CoC identified needed services are provided within the region and identified outcomes of the CoC are achieved.

Conversely, NHAP does not provide the HSATF matching funds for the City of Omaha ESG recipient; thus, NHAP subrecipients submit applications for NHAP's HSATF funding through the regular NHAP competitive application cycle. NHAP-funded subrecipients from Douglas and Sarpy counties report their data outcomes directly to NHAP's CAPER submission as part of the State matching funds made available to support the ESG-funded program.

The Omaha ESG recipient allocates and distributes ESG funding through a separate application process; thus, this data will be reported by the Omaha CoC ESG recipient in their CAPER report for the region. The Omaha CoC ESG recipient uses other funding sources to meet ESG matching requirements.

### *PROGRAM NAME: HOPWA Program*

Funding Sources:

HOPWA funds

#### **Describe the state program addressed by the Method of Distribution.**

Within the HOPWA Services Priority Need, HOPWA funds will be utilized to provide supportive services to persons, and their families, with HIV/AIDS that include: case management services with medical and self-sufficiency components; outreach to HIV+ homeless persons/families and homeless service providers; emergency rental/mortgage assistance; utility assistance; tenant-

based rental assistance (TBRA); permanent housing placement (including first/last month's rent, security deposits, rental application fees); housing information services and resource identification; and for the maintenance of case management software system. The case management software system is utilized by both HOPWA and Ryan White Part B Program staff and the project sponsor.

The HOPWA Program prioritizes outreach to the chronically homeless and homeless persons, and their families, living with HIV/AIDS in order to help address their housing, supportive services, and medical needs.

DHHS provides HOPWA resources to the Nebraska AIDS Project (NAP), the HOPWA Project Sponsor, in order to carry out activities throughout the state. The strategy of the program is to support and facilitate NAP's participation and involvement in the seven regional Continuum of Care (CoC) Committees. DHHS participates on the Statewide Continuum of Care Committee. It is the goal of HOPWA staff to coordinate with ESG Program staff and homeless service providers in order to coordinate homeless activities. These collaborations will help to ensure that the special needs of persons living with HIV/AIDS in Nebraska will be represented at both the regional and the state level planning processes.

The HOPWA Program also participates in the Nebraska HIV CARES committee which consists of HIV/AIDS medical providers, service providers, consumers, and other members of the public. Several of the members of the NE HIV CARES are representatives of the Nebraska Red Ribbon Community. The Nebraska Red Ribbon Community is a diverse group of individuals located in various geographic regions across Nebraska. This diverse group of persons living with HIV/AIDS collaborate with DHHS to enhance and enrich the lives of HIV positive persons. In addition, the HOPWA Program Manager works closely with the Ryan White Part B Program Manager, the AIDS Drugs Assistance Program Manager and the Ryan White All Parts Committee members to coordinate services for persons living with HIV/AIDS. Committee meetings are held three times per year. The HOPWA Program works with the Nebraska Housing Developers Association (NHDA) to continue RentWise training to HOPWA clients across the state.

If the needs exceed the funding available, a waiting list may be developed to ensure all eligible individuals may be served in the future when funds are available. Additionally, to ensure HOPWA funded assistance is available for at least 12 months, Project Sponsor may cap STRMU payment amounts to FMR, limit receipt to a maximum of less than 21 weeks per 52-week period per household, and/or limit overall payments total dollar amount per month. Any implemented caps will be clearly identified and administered in a uniform, fair manner.

**Describe all of the criteria that will be used to select applications and the relative importance of these criteria.**

Nebraska AIDS Project (NAP) is an AIDS service organization in Nebraska that provides case management services statewide to persons living with HIV. DHHS awarded HOPWA funds to NAP after completing a Request for Application (RFA) in February 2021. Requirements of the contract with NAP include provision of case management and supportive services to eligible HOPWA clients. Other requirements include the assurance of confidentiality, ensuring that all persons who qualify for assistance know of the program, assuring ongoing programmatic and financial monitoring and maintaining reporting requirements. The project sponsor is required to be compliant with federal and state regulations.

**Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)**

Within Nebraska, the Nebraska AIDS Project (NAP) an AIDS Service Organization that provides case management services statewide to persons living with HIV/AIDS. DHHS awarded HOPWA funds to NAP in July 2025 as part of new subaward. NAP serves as the project sponsor for the HOPWA Program and has offices located in Omaha, Lincoln, Kearney, Norfolk, and Scottsbluff.

**Describe how resources will be allocated among funding categories.**

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the HOPWA program. The majority of resources will be awarded to the Nebraska AIDS Project to administer the HOPWA Program. DHHS will adjust the estimated proposed allocation of HOPWA to match the actual allocation amounts from HUD. The budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

HOPWA funds will be used to support the goal of reducing homelessness and increasing housing stability for special needs populations through the activities below. Programs identified with AID are those operated and managed by the Nebraska AIDS Project (NAP).

**DHHS HOPWA FY2026**

Formula (State) Administrative: \$14,332.00

\*Housing Information Services: \$14,332.00

Total: \$28,664.00

**NAP HOPWA FY2026**

Formula Administrative AID: \$64,877.00

Supportive Services AID: \$85,000.00

Permanent Housing Placement AID: \$85,000.00

Resource Identification AID: \$6,000.00

Short-term Rent/Mortgage AID: \$335,943

Long-term Rent AID: \$350,000.00

Total: \$926,820

\*\$14,332 is being reserved to maintain the case management software. This figure may be reduced due to being prorated between the HOPWA program and the Ryan White Program.

**Describe threshold factors and grant size limits.**

Services provided by Nebraska's HOPWA program are limited to services that can be delivered under the funding allocation the program receives and provides to Nebraska AIDS Project. There are no State dollars provided to the HOPWA program. Other threshold factors will be defined by DHHS in collaboration with NAP through the implementation of HOPWA services.

**What are the outcome measures expected as a result of the method of distribution?**

Through HOPWA resources needed services will be provided to persons living with HIV/AIDS and their families throughout the state, including emergency rent and mortgage assistance, permanent housing placement, short-term facility based housing (hotel/motel vouchers only) and tenant-based rental assistance.

## AP-35 Projects – (Optional)

### Introduction:

#	Project Name
1	2026 Nebraska ESG
2	2026 Nebraska AIDS Project
3	2026 State of Nebraska NEH23-F999 (NE)
4	2026 CDBG STATE ADMIN/TA
5	2026 CDBG Economic Development (ED)
6	2026 CDBG Downtown Revitalization (DTR)
7	2026 CDBG Planning (PP)
8	2026 CDBG Public Works (PWI) - Infrastructure
9	2026 CDBG Public Works (PWF) - Facilities
10	2026 CDBG Tourism Development (TD)
11	2026 Local Revolving Loan (RL) Projects
12	2026 HOME Admin (AD)
13	2026 HOME CHDO Project (CR)
14	2026 HOME CHDO Organizational Operating (CO)
15	2026 HOME Affordable Housing Development (EN)
16	2026 HTF Admin (AD)
17	2026 HTF Affordable Housing Development (EN)

Table 5 – Project Information

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

## AP-38 Project Summary

### Project Summary Information

<b>1</b>	<b>Project Name</b>	<b>2026 Nebraska ESG</b>
	Target Area	Statewide
	Goals Supported	Reduce Homelessness
	Needs Addressed	Homelessness Priority Need
	Funding	Homeless Shelter Assistance Trust Fund: \$2,041,732.30 ESG: \$989,144.00
	Description	The Nebraska BoS plans to utilize the 2026 Federal Fiscal Year allocation of ESG funds to: operate shelters throughout the state; provide utility assistance, other financial assistance, and services to prevent homelessness; provide rent, other financial assistance, and services to support rapid rehousing programs; strategize with the Coordinated Entry system to quickly house homeless individuals; collect data on homelessness through HMIS; and administer the program. Dependent requests and the need for services, ESG funds and matching HSATF funding can be used for all ESG activities, federally allowed, including street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS.
	Target Date	6/30/2027
	Estimate the number and type of families that will	Tenant-based rental assistance / Rapid Rehousing: 150 Households Assisted Homeless Person Overnight Shelter: 1950 Persons Assisted Homelessness Prevention: 945 Persons Assisted

	benefit from the proposed activities	
	Location Description	ESG funds are allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. NHAP is also the recipient of HSATF funds. NHAP utilizes HSATF funds as the required match for the ESG funds. The matching HSATF funds are also allocated to the five rural BoS regions (Regions 1 through 5) and to the portion of Region 7 outside of the City of Omaha. HSATF funds allocated for Region 6, the City of Omaha, and unallowable ESG activities are not utilized as matching funds for ESG.
	Planned Activities	Provision of homeless and at risk of homeless services through emergency shelter, rapid rehousing, and homelessness prevention services. Provide funding support for the HMIS systems in the State of Nebraska to obtain data for outcome and compliance reporting for ESG and HSATF activities. Utilize funding for administrative costs. Dependent upon requests and needs, funds may be used for any ESG federally allowable activities including street outreach, emergency shelter, homelessness prevention, rapid rehousing, and HMIS.
<b>2</b>	<b>Project Name</b>	<b>2025 Nebraska AIDS Project NEH25-F999 (NAP)</b>
	Target Area	Statewide
	Goals Supported	Assist Persons with HIV/AIDS
	Needs Addressed	Persons with HIV/AIDS
	Funding	HOPWA \$926,820
	Description	The Project Sponsor will provide administrative oversight, direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, Housing for People with HIV/AIDS added (hotel/motel vouchers), supportive services and permanent housing placement.

	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Tenant-based rental assistance / Rapid Rehousing: 20 Households assisted annually; public service activities other than LMI Housing benefit to 40 persons assisted, Housing for People with HIV/AIDS added 1 Household/Housing Units assisted, and Homeless prevention to 175 persons assisted.
	Location Description	Statewide
	Planned Activity	Provision of decent, safe, and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant- based (long-term) rental assistance, short-term rent, mortgage and utility assistance, Housing for People with HIV/AIDS added, supportive services and permanent housing placement.
<b>3</b>	<b>Project Name</b>	<b>2025 State of Nebraska NEH25-F999 (NE)</b>
	Target Area	Statewide
	Goals Supported	Assist Persons with HIV/AIDS
	Needs Addressed	HOPWA Priority Need
	Funding	HOPWA \$28,664.00
	Description	The State of Nebraska will provide grantee administrative oversight and technical assistance. A portion of these funds will be utilized to maintain and develop case management software.
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers tenant-based rental assistance, public service activities other than LMI Housing benefit, and Homeless prevention.
	Location Description	Statewide
	Planned Activity	Administration, software development, and Technical Assistance
<b>4</b>	<b>Project Name</b>	<b>2026 CDBG STATE ADMIN/TA</b>
	Target Area	Statewide
	Goals Supported	Community Planning and Capacity Building
	Needs Addressed	Capacity Building through Admin & Planning
	Funding	CDBG: \$417,253.21
	Description	The State of Nebraska will provide subrecipient oversight and technical assistance
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	TBD
	Planned Activities	Administration and Technical Assistance
<b>5</b>	<b>Project Name</b>	<b>2026 CDBG Economic Development (ED)</b>

	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG & State RLF: \$2,794,749.23
	Description	Loans to businesses or infrastructure construction projects undertaken for economic development purposes.
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	10 Business will be assisted 30 Jobs created/retained
	Location Description	TBD
	Planned Activities	Acquisition of Real Property, Economic Development Direct Financial Assistance to For-Profit Business, Infrastructure Development, and Construction Management.
<b>6</b>	<b>Project Name</b>	<b>2026 CDBG Downtown Revitalization (DTR)</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$4,739,444.15

	Description	Involves revitalization efforts located within the downtown business district, including streets, sewer, and water systems, historic restoration, removal of architectural barriers, and/or loans to business for facade improvements, signage, and/or to meet community codes.
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Facade treatment/business building rehabilitation: 20 Business  Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35,000 Persons Assisted
	Location Description	TBD
	Planned Activities	Commercial Rehabilitation, Acquisition of Real Property, Clearance and Demolition, Flood Drainage Improvements, Water/Sewer Improvements, Street Improvements, Sidewalks and Construction Management.
<b>7</b>	<b>Project Name</b>	<b>2026 CDBG Planning (PP)</b>
	Target Area	Statewide
	Goals Supported	Community Planning and Capacity Building
	Needs Addressed	Capacity Building through Admin & Planning
	Funding	CDBG: \$713,849.90
	Description	Studies, analysis, data gathering, identification of implementation action, and preparation of plans and such as Housing studies, Comprehensive plans, Downtown Revitalization Plans, Historic Preservation studies.
	Target Date	06/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	TBD
	Planned Activities	Planning
<b>8</b>	<b>Project Name</b>	<b>2026 CDBG Public Works (PW) - Infrastructure</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$5,094,754.29
	Description	Sewer and water systems, streets, sidewalks, removal of architectural barriers, parks, and other public infrastructure.
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35,000 Persons Assisted
	Location Description	TBD

	Planned Activities	Acquisition of Real Property, Clearance and Demolition, Construction Management, Solid Waste Disposal Improvements, Flood Drainage Improvements, Water/Sewer Improvements, Street Improvements, Sidewalks, and Other Public Improvements
9	<b>Project Name</b>	<b>2026 CDBG Public Works (PW) - Facilities</b>
	Target Area	Statewide
	Goals Supported	Enhance Public Facilities and Infrastructure
	Needs Addressed	Community Development Priority Needs
	Funding	CDBG: \$5,094,754.29
	Description	fire stations & trucks, non-profit daycare centers, senior centers, community centers, libraries, tornado shelters, removal of architectural barriers.
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35,000 Persons Assisted
	Location Description	TBD
Planned Activities	Acquisition of Real Property, Clearance and Demolition, Construction Management, Senior Centers, Facilities for Persons with Disabilities, Homeless Facilities, Youth Centers, Neighborhood Facilities, Parks, Recreational Facilities, Fire Stations/Equipment, Health Facilities and Other Public Improvements	

	Description	fire stations & trucks, non-profit daycare centers, senior centers, community centers, libraries, tornado shelters, removal of architectural barriers.
<b>10</b>	<b>Project Name</b>	<b>2026 CDBG Tourism Development (TD)</b>
	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG: \$3,122,854.57
	Description	Historic restorations; scientific and educational interpretive sites; cultural and heritage recreational sites/facilities; removal of architectural barriers that restrict mobility and accessibility to sites/facilities. Funding is for tourist attractions expected to draw 2,500 visits annually.
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Additional tourist attractions funded by Tourism Development activities will increase opportunities throughout the state for persons within the communities where the projects are located and for those persons visiting the attractions.  Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 35,000 Persons Assisted  10 business assisted; 30 Jobs created/retained
	Location Description	TBD
	Planned Activities	Acquisition of Real Property, Other Public Improvements, Non-Residential Historic Preservation, Parks, Recreational Facilities, Neighborhood Facilities, Economic Development Direct Financial Assistance to For-Profit Business
<b>11</b>	<b>Project Name</b>	<b>2026 Local Revolving Load (RL) Projects</b>

	Target Area	Statewide
	Goals Supported	Encourage Economic Development
	Needs Addressed	Economic Development Priority Needs
	Funding	CDBG: \$1,703,177.00
	Description	Local Program Income Revolving Loan Funds
	Target Date	06/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	TBD
	Location Description	TBD
	Planned Activities	TBD
<b>12</b>	<b>Project Name</b>	2026 HOME Admin (AD)
	Target Area	NA
	Goals Supported	Housing
	Needs Addressed	Affordable Housing
	Funding	HOME \$388,630.76
	Description	Program Administration
	Target Date	6/30/2027

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	NA
	<b>Location Description</b>	NA
	<b>Planned Activity</b>	Program Administration – 10% of Program Year Allocation
<b>13</b>	<b>Project Name</b>	2026 HOME CHDO Project (CR)
	Target Area	Statewide
	Goals Supported	Housing
	Needs Addressed	Affordable Housing
	Funding	\$1,300,000.00
	Description	HOME Program funds will be utilized for eligible CHDO to construction new housing units for homebuyers at or below 80% AMI throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs).
	Target Date	6/30/2027
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	TBD
	<b>Location Description</b>	TBD
	<b>Planned Activity</b>	Refer to AP-30

14	<b>Project Name</b>	2026 HOME CHDO Organizational Operating (CO)
	Target Area	Statewide
	Goals Supported	Housing
	Needs Addressed	Affordable Housing
	Funding	\$140,000.00
	Description	HOME Program Funds will be utilized for eligible CHDO operating funds throughout the state and made available to eligible non-profits that are certified as CHDO's
	Target Date	6/30/2027
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	NA – organizational operating
	<b>Location Description</b>	NA
	<b>Planned Activity</b>	Refer to AP-30
15	<b>Project Name</b>	2026 HOME Affordable Rental Housing Development (EN)
	Target Area	Statewide
	Goals Supported	Housing
	Needs Addressed	Affordable Housing
	Funding	\$1,225,206.50
	Description	HOME funds will be utilized for rental housing (both new construction and rental rehabilitation) through the joint application processes between NIFA and DED. NIFA will provide an allocation of

		Low-Income Housing Tax Credits (LIHTCs), and DED provides HOME funds to those applicants needing HOME resources for gap financing to make their tax credit projects feasible.
	Target Date	6/30/2027
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	HOME Rental New Construction Activity – Total Units - 28 of which 12 rental units will be assisted with HOME Funds to assist households below 60% AMI.  HOME Rental Rehabilitation Activity – Total Units – 46 of which 3 rental units will be assisted with HOME Funds to assisted households below 60% AMI.
	<b>Location Description</b>	Statewide
	<b>Planned Activity</b>	Refer to AP-30
<b>16</b>	<b>Project Name</b>	2026 HTF Program Admin (AD)
	<b>Target Area</b>	NA
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	\$313,437.32 (approximate- 2026 Program Year allocations have not been announced)
	<b>Description</b>	Program Administration
	<b>Target Date</b>	6/30/2027
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	NA

	<b>Location Description</b>	NA
	<b>Planned Activity</b>	Program Administration – 10% of Program Year Allocation
17	<b>Project Name</b>	2026 HTF Affordable Rental Housing Development (EN)
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	\$2,820,935.88 (approximate- 2026 Program Year allocations have not been announced)
	<b>Description</b>	<p>HTF funds will be utilized for rental housing (both new construction and rental rehabilitation) through the joint application processes between NIFA and DED. NIFA will provide an allocation of Low-Income Housing Tax Credits (LIHTCs), and DED provides HTF funds to those applicants needing HTF resources for gap financing to make their tax credit projects feasible.</p> <p>Nebraska will also make available HTF funding for permanent housing projects for the homeless, persons at risk of homelessness and other special needs populations. These funds will be made available for multi-family rental projects, single-family rental projects and rental rehabilitation projects within the Omaha CoC, Lincoln CoC and the BoS CoC. This allocation will be referred to as the “Permanent Housing Set Aside”. Funds not utilized within this category may be utilized within the other set asides for the State to distribute HTF funds timely.</p> <p>Nebraska will also make available HTF funding for targeted needs rental housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale multi-family rental projects, single-family rental projects and rental rehabilitation projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”. Funds not utilized within this category may be utilized within the other set asides for the State to timely distribute HTF funds.</p>

<b>Target Date</b>	6/30/2027
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	HTF Rental New Construction Activity – Total Units - 30 of which 7 rental units will be assisted with HTF Funds to assist households below 30% AMI.
<b>Location Description</b>	Statewide
<b>Planned Activity</b>	Refer to AP-30

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

Not applicable

**Acceptance process of applications**

Not applicable

## **AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State’s Process and Criteria for approving local government revitalization strategies**

Annually, the State reviews and approves local government revitalization strategies submitted under the CDBG Opportunity categories. As part of this process, the State evaluates documentation from the project’s pre-development phase, including the planning methodology, stakeholder engagement, and needs assessment used to identify proposed activities.

Approval is based on established criteria, including: (1) consistency with local planning goals and adopted revitalization strategies; (2) demonstrated need supported by data; (3) feasibility and readiness of proposed activities; and (4) alignment with broader community development objectives.

In addition, the State ensures that all proposed activities meet a CDBG national objective for the applicable Program Year—either benefiting low- and moderate-income persons (through LMI Area Benefit or LMI Limited Clientele) or addressing the elimination of slum and blight (through area-based subcategories). Only strategies that meet these requirements are approved for funding consideration.

## **AP-50 Geographic Distribution – 91.320(f)**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The State of Nebraska has chosen not to target any particular geographic area for special assistance but has chosen to allow any non-entitlement community to apply for CDBG funding, dependent on eligible activities and programs, and provides HOME, HTF, ESG, and HOPWA funding throughout the state. ESG and matching HSATF funds are utilized to serve Regions 1 through 5 and the portion of Region 7 outside of Omaha.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Statewide	<b>100%</b>

**Table 6 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The State of Nebraska has chosen not to target any particular geographic area for special assistance but has chosen to allow any non-entitlement community to apply for CDBG funding, dependent on eligible activities and programs, and provides HOME, HTF, ESG, and HOPWA funding throughout the state. ESG and matching HSATF funds are utilized to serve Regions 1 through 5 and the portion of Region 7 outside of Omaha.

### **Discussion**

The State of Nebraska will distribute development resources in proportion to the development needs of the state. In general, DED and DHHS will approve funding for development projects that satisfy specific criteria and fund projects throughout the state. There is no specific target area for funding distribution, but program assistance is provided statewide.

Nebraska is served by a system of service providers throughout the state. Majority of these service providers are located in the areas where need has been shown according to the Census data available and other economic indicators. Some of these indicators include the community population, where those communities with the largest populations tend to have the greatest number of service providers within any given geographic area.

### **LIHTC 9% and 4% Set Aside**

For HOME/HTF applicants applying within the LIHTC 9% tax credit and 4% tax bond set aside, the entire state is the eligible area. The joint NIFA/DED application cycles for LIHTC 9% tax credit and 4% tax bond achieves geographic diversity by making the best effort to award 50% of available funds to projects in urban areas and 50% to projects located in rural areas. In addition, the scoring methodology assigns 3 points for a project located in a community population of less than 5,000,

2 points for a project located in a community population of 5,000 to 15,000, and 0 points for a project located in a community population of more than 15,000.

### **Targeted Needs Set Aside**

For HTF applicants applying within the Targeted Needs set aside, the entire state is the eligible area. While two of the three set asides do provide geographic diversity, the Targeted Needs set aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.

### **Permanent Housing Set Aside**

For HTF applicants applying for the Permanent Housing set aside, funds will be distributed equally between the Continuum of Care (CoC) Regions of the Nebraska Homeless Assistance Program (NHAP), which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, the rest of the Southeast, and Northeast CoC Regions of Nebraska.

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

#### Introduction:

One Year Goals for the Number of Households to be Supported	
Homeless	150
Non-Homeless	324
Special-Needs	20
Total	494

Table 8 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	165
The Production of New Units	28
Rehab of Existing Units	3
Acquisition of Existing Units	2
Total	198

Table 9 - One Year Goals for Affordable Housing by Support Type

#### Discussion:

As the information above demonstrates, a significant number of households are served annually through affordable housing programs. See below for further information

#### Homeless

One-year goals for the number of “Homeless” households supported are estimated from the number of households that will receive homeless services through the Nebraska Homeless Assistance Program (See also AP-20).

#### Non-Homeless

One-year goals for the number of “non-Homeless” (also identified as individuals or families who are at risk of homelessness) are estimated from the number of households served under the NHAP Homelessness Prevention component for rental assistance. (See also AP-20).

#### Special-Needs

One-year goals for the number of “Special-Needs” are estimated from the number of households that will be served through the HOPWA and HTF Programs (See also AP-20). Rental Assistance

#### Rental Assistance

Rental assistance will be completed primarily through ESG and HOPWA resources that include Tenant Based Rental Assistance (TBRA); financial assistance including rental application fees, security and utility deposits, last month’s rent, utility payments, and moving costs; and short-term rent assistance. In addition, HSATF resources will also be used for this activity. The total estimated number of households

for “Rental Assistance” includes ESG and HOPWA estimates of TBRA assistance combined (See also AP-20).

### **Production of New Units**

The production of new units will be completed primarily through HOME and HTF resources that will be coupled with the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle that utilizes LIHTCs and HOME/HTF funds to provide additional affordable housing. Numbers in Table 64 are HOME or HTF Assisted units and do not reflect the total number of units constructed or rehabilitated.

HOME funding is available to eligible CHDO organizations to be utilized for CHDO eligible activities, which includes the construction of new housing units.

### **Rehabilitation of Existing Units**

Rehabilitation of existing rental units is completed primarily through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle that utilizes LIHTCs and HOME/HTF funds to provide additional affordable housing. HTF funds can also be used for rehabilitation of existing rental units through the Targeted Needs and Permanent Housing set-asides.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

#### **Actions planned during the next year to address the needs to public housing**

DED does not manage or oversee funds to any of the Public Housing Authorities throughout the state. The State will continue to work with the Public Housing Authorities (PHAs) to house Nebraska's low-income households to the extent that is necessary. PHAs are eligible applicants for some DED resources including Nebraska Affordable Housing Trust Fund (NAHTF) resources.

#### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

This Annual Action Plan is for a state grantee, and therefore no summary information is available on the actions planned for multiple Public Housing Authorities in Nebraska. This information would be obtained by contacting a given PHA within a designated geographic area.

#### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

If a PHA is designated as troubled, the Housing Representative for that area of the state contacts the PHA to provide guidance and technical assistance. No financial assistance is provided.

### **Discussion:**

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

### **Introduction**

The activities that the State of Nebraska will undertake in 2026 are described in the following narratives.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### ***GOAL #1: Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs***

The State of Nebraska's NHAP funding is focused on assisting the populations with the greatest needs in support of reaching the goal of functional zero of homeless individuals in Nebraska. The Coordinated Entry process utilizes assessment tools which prioritizes those with the highest needs in our communities. The particular population that ranks as the highest risk are those that are unsheltered and/or are chronically homeless as defined by HUD's Final Rule. NHAP will continue to fund Street Outreach and Emergency Shelter programs to provide a support system for those individuals that are literally homeless. All individuals who enter homeless programs in Nebraska are provided the opportunity to be referred to the Coordinated Entry system to access permanent housing.

Identifying these individuals has created a more efficient homeless service systems by targeting resources toward those who need them most and helping clients move to appropriate permanent housing programs in an expedited manner. This is a change from the "first come, first served" model to serving those with the greatest risks and needs. In Nebraska, the Coordinated Entry System in the Balance of State has been established to rank those individuals with the highest needs for Permanent Supportive Housing. Other homeless individuals who rank with less intensive needs may qualify for Rapid Rehousing Programs.

A major goal of the Coordinated Entry system is the establishment of a statewide Coordinated Entry list which provides homeless individuals and families to have additional client-choice to relocate to another part of the state in order to move closer to natural supports, employment opportunities or proximity to services. NHAP will continue to require subrecipient participation in conducting the standardized assessment for every individual that is literally homeless or in emergency shelter and referring to the Coordinated Entry system if the program participant so chooses to do so. NHAP is in partnership with the HMIS provider to receive customized reports regarding entry and exits from homeless assistance programs to monitor NHAP subrecipient compliance with utilizing the Coordinated Entry process.

Additionally, the Coordinated Entry Manager and the public access doors will train other community agencies that encounter unsheltered homeless persons. This includes law enforcement, hospital emergency units, faith communities and other service agencies to

continue building symbiotic relationships in efforts to increase the referral networks with CoC provider agencies when they encounter unsheltered persons in need of assistance.

***GOAL #2: Addressing the emergency shelter and transitional housing needs of homeless persons***

Emergency Shelter and Transitional Housing are a critical part of the homeless service system and will remain a needed service throughout the State for a variety of reasons, but not limited to; restrictive participant income eligibility for Rapid Rehousing (RRH) and/or CoC funded programs, short-term housing solutions for working poor experiencing temporary barriers to independent housing due to financial shortfalls, individuals experiencing domestic violence, lack of immediately available fair market housing, individuals exiting substance abuse treatment centers, youth under the age of 25, and to meet special needs of subsets of program participants.

Shelters provide temporary refuge and often serve as the “front door” or first place of entry to those experiencing homelessness to receive supportive services and access mainstream services. NHAP recognizes the importance that emergency shelters have in connecting those experiencing homelessness with the resources needed to exit homelessness and move to self-sufficiency. Despite these barriers to permanent housing for some individuals, agencies have been making increased efforts to collaborate within their region to provide seamless services from emergency shelter to permanent housing solutions through the utilization of the Coordinated Entry system. The goal of the Coordinated Entry system in the upcoming year is to also include Transitional Housing into the Coordinated Entry system to serve individuals who may need longer term shelter stays and to serve those with priority needs, such as homeless youth, victims of domestic violence and individuals who are recovering from substance abuse.

For NHAP programs funded to support Emergency Shelter and Transitional Housing Programs, performance will be measured based on:

- Increased bed utilization rate.
- Decreased average length of stay of the households served in Emergency Shelter/Transitional Housing
- Increase in the percentage of discharged households to permanent housing.
- Minimal rates of returns to homelessness

To evaluate these performance measures, NHAP requests data from the HMIS system and has requested customized reports that assess the programs’ performance in terms of the percentage of exits to permanent housing and returns to homelessness. This data will be used to evaluate the effectiveness of programs for funding determination and to address any performance issues with current NHAP subrecipients.

***GOAL #3: Helping homeless persons (especially chronically homeless individuals and families,***

***families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again***

The State of Nebraska will continue to uphold the expectation that NHAP sub-recipients will coordinate services, utilize the “Housing First” model, and encourage prioritization of Rapid Rehousing programs towards the end goal ending homelessness in Nebraska. Technical assistance will continue from the State to support the implementation of Outreach and Rapid Rehousing services through NHAP grant awards towards the end goal of increasing the number of homeless households placed into sustainable permanent housing. NHAP is an active participant of the Coordinated Entry (CE) planning committee and a member of the CE governing body to provide feedback and to ensure inclusion for all homeless and at-risk of homelessness in our communities.

All NHAP subgrantees are expected to participate in their local Continuums of Care to coordinate resources, ensure that homeless individuals are identified and provided the appropriate array of services to meet their needs, and encourage sustainability. Utilizing the CoC’s Coordinated Entry system enables standardized assessments to promote placement of homeless individuals into appropriate permanent housing and more effectively target resources to those most in need. Nebraska is utilizing standardized assessment tools to target the most vulnerable and chronically homeless individuals, youth, and families in the State. Higher scores indicate greater need and prioritize placement on the CoC Permanent Supportive Housing (PSH) CE list; individuals with less intensive needs are placed in permanent housing through Rapid Rehousing programs. Homeless youth are identified for the Transition Aged Youth program that operates within the CE system. Consequently, by identifying chronically homeless and the most vulnerable individuals in the state, active coordination between agencies and then making an expedited and appropriate level of intervention, individuals and families experiencing homelessness are served in an efficient manner.

NHAP has also directly worked with victim service providers, who are not required to utilize the HMIS system, to promote engagement with the Coordinated Entry system to ensure that the clients served by these types of programs have access to all permanent housing options in conjunction with supportive targeted services. NHAP and the Coordinated Entry manager will continue to train the victim service providers and the state-wide Domestic Violence/Sexual Assault Coalition on the Coordinated Entry processes with special consideration will be provided to protect the confidentiality of individuals utilizing victim services programs.

Nebraska also maintains a Veteran’s Coordinated Entry process through the SSVF funding source. Veterans who present at a homeless service provider as homeless or at-risk of homeless are

referred to this program for permanent housing opportunities and other supports. In the event of lack of capacity in SSVF, veterans are given priority scoring on the conventional Coordinated Entry list. A major accomplishment for the Nebraska BoS has been certification by the United States Interagency Council on Homelessness (USICH) as achieving functional zero for homeless veterans. The SSVF program is an active participant in the Continuums of Care and will continue to meet the needs of homeless veterans.

Over the course of the next year, NHAP will continue to monitor the duration of homelessness through HMIS and then establish targets for agencies to assist households into permanent housing. NHAP will monitor subrecipients' continued progress on increasing the number of households placed in permanent housing and provide technical assistance, resources, and support to agencies to promote the end of homelessness in Nebraska. NHAP will continue to coordinate with DED and other Federal and State agencies to identify areas of affordable housing and service gaps across the State.

It is the goal of NHAP to efficiently and successfully provide permanent housing to the homeless and make all efforts to prevent returns to homelessness. To measure the success of each NHAP funded agency, NHAP is tracking the number of returns to homelessness for individuals/families who have exited to permanent housing in order to provide technical assistance and for funding determinations to promote successful outcomes.

***GOAL #4: Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs***

Throughout Nebraska, many communities have systems in place funded through NHAP which are targeted towards homelessness prevention. A heavily weighted scoring component was included in the NHAP application to promote collaboration between homeless assistance and mainstream service providers to maximize the funding availability to avoid individuals and families from becoming homeless. These efforts to connect homeless and at risk of homeless to mainstream economic assistance services are evaluated through the NHAP application process.

NHAP funded agencies are required to have a formalized process for referring eligible low-income individuals and families to access self-sufficiency resources. Public benefits such as food stamps (SNAP), TANF, and other benefits offered through DHHS and other community agencies are just a few examples of services distributed statewide to provide financial assistance to those who are extremely low-income and require assistance in order to stabilize their financial situations to

promote housing stability.

In addition, a diversion training was provided to all homeless assistance providers throughout Nebraska to promote a model to divert low-income and at-risk of homeless individuals and families from entering homeless systems across the state. The diversion training also included a day for a train-the-trainer program which will allow for the participants to promote this model in local communities. Trainers will conduct sessions on the diversion process, both within their agencies and to community groups. Brochures and other materials will be developed for distribution to agencies and other entities that have contact with homeless and at risk of homeless individuals and families.

In further support of these efforts, NHAP currently sets aside a portion of the HSATF to provide financial support for agencies, designed by their local CoC, to assist individuals who are at risk of homeless or homeless with applying for Social Security Income or Social Security Disability Income benefits through the SSI/SSDI Outreach, Access and Recovery (SOAR) program to improve economic self-sufficiency for eligible candidates. The goal of NHAP is to expand this model with qualifying minor children and transition aged youth, particularly those aging out of foster care and juvenile correctional facilities.

NHAP also provides funding to the Nebraska Lawyers Foundation to assist homeless and at-risk of homelessness individuals in addressing legal issues that pose barriers to accessing housing. Services include landlord mediation, tenant rights protections, protection/harassment orders, divorce, paternity and custody matters, assistance with accessing public benefits such as childcare, SSDI, SSI, and other cash benefits, and resolving consumer debt issues. These funds are also NHAP set-aside funds and not reported in the total HSATF funding available in the AAP.

NHAP will continue to evaluate policies across the CoC regions in order to help low-income individuals and families to avoid becoming homeless, especially extremely low-income families who are being discharged from the publicly funded institutions and systems of care, such as health care facilities, mental health facilities, and other youth facilities, and correction programs and institutions. There is a high expectation that the CoC regions and NHAP subrecipients actively promote and pursue coordination with community providers to connect individuals served with mainstream resources and services.

## **Discussion**

### AP-70 HOPWA Goals – 91.320(k)(4)

The primary goal of the HOPWA Program is to provide decent, safe, and affordable housing and supportive services to people living with HIV/AIDS who are homeless and/or at imminent risk of becoming homeless. If funding permits, increasing access to employment opportunities/job training is a goal for the program, as well as increasing the number of individuals receiving tenant-based rental assistance. Eligibility for HOPWA funded services requires at least one person in the household be infected with the HIV virus and a household income at or below 80% of the area median income. Households with incomes above 80% of the area median income are eligible to receive HOPWA funded housing counseling and referral services. The priority population for HOPWA is serving the homeless and chronically homeless.

<b>One-year goals for the number of households to be provided housing through the use of HOPWA:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	175
Tenant-based rental assistance	20
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	1
<b>Total</b>	<b>196</b>

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

### **Proposed Solutions**

Nebraska is actively addressing affordable housing barriers through legislative measures, The Nebraska Strategic Housing Framework, and partnerships with organizations like NIFA, aimed at expanding housing access and availability. The state of Nebraska collaborates with various partners, including NIFA, local communities, developers, and non-profits.

### **Actions related to Affordability and lack of Diverse housing**

Nebraska's 2022 Strategic Housing Framework: The Nebraska Investment Finance Authority (NIFA) leads a framework that addresses two primary challenges: affordability and lack of diverse housing options. This framework outlines strategic pillars that include financial support, educational initiatives, and workforce development aimed at bolstering housing efforts. The goals include reducing the number of housing cost-burdened households and development numerous affordable homes by 2028. DED Team members participated and served as Strategic Housing Council Members during the process.

**Barriers Reduction Focus:** The strategic council emphasizes removing regulatory barriers to housing development, advocating for more flexibility in local zoning laws that traditionally favor single-family housing. This includes creating incentives for diverse housing types and tackling issues like minimum lot sizes that hinder multi-family construction.

**Community Engagement and Investment Supporting Local Investment:** Efforts are also focused on empowering local investors to participate in housing development. Initiatives include educational resources about existing programs and financing options that encourage Nebraskans to invest in housing, helping to mitigate the challenges posed by large firms dominating real estate.

**Focus on Special Populations:** The strategic housing approach addresses the needs of vulnerable groups, including those under financial strains due to housing costs. Expansion of supportive.

**Discussion:**

**Nebraska's 2026 Actions to Address Barriers to Affordable Housing**

Nebraska's 2026 legislative and policy framework for affordable housing combines new funding mechanisms, targeted program expansions, and accessibility requirements to tackle barriers to housing access.

**1. Legislative funding measures**

- **LB737** – Require a joint public hearing to evaluate the progress of the Olmstead Plan for individuals with disabilities.

**2. Accessibility requirements for state housing agencies**

- Per the direction of the Governor, DED and NIFA create incentives to build accessible units by adding scoring criteria to upcoming joint applications for HOME & HTF.

## **AP-85 Other Actions – 91.320(j)**

**Introduction:** The following are additional actions that the State will take in the Program Year.

### **Actions planned to address obstacles to meeting underserved needs**

All of the activities which will be funded under the State’s CDBG, HOME, HTF, ESG, HOPWA. The State will identify and respond to underserved needs as they arise from self-evaluation and citizen participation. In addition, the State will continue to encourage qualified applicants to apply for CDBG, HOME, HTF, ESG & HOPWA funds to assist in meeting the needs of the underserved.

### **Actions planned to foster and maintain affordable housing**

The Housing Priority of the Annual Action Plan addresses how the State attempts to foster and maintain affordable housing throughout the state. Actions planned include developing additional rental housing; developing additional homeownership units; providing buyer subsidy; providing rental housing development, homeownership activities, and non-profit operating assistance.

### **Actions planned to reduce lead-based paint hazards**

NA

### **Actions planned to reduce the number of poverty-level families**

The actions planned, reduces the number of poverty-level families by investing in affordable housing, public infrastructure, economic and workforce development, public services, homelessness assistance, and community revitalization activities that expand access to safe housing, jobs, supportive services, and economic opportunity for low- and moderate-income households.

### **Actions planned to develop institutional structure**

The State is committed to improving institutional structures that support the effective delivery of housing, community development, and supportive service programs. The institutional structure for the CDBG, HOME, HTF, ESG, and HOPWA programs is composed of DED, DHHS, local governments, nonprofit organizations, and private industry partners. Effective coordination and collaboration among these entities are essential to ensuring resources are used efficiently and program goals are achieved.

Examples of this coordinated approach include collaboration between NIFA and DED in the administration of rental housing programs, which helps align housing resources and expand affordable housing opportunities across the state. In addition, the CDBG program’s focus on public facilities and infrastructure is strengthened through partnerships among DED, the

Nebraska Department of Environment and Energy, DHHS, and the U.S. Department of Agriculture Rural Development. These collaborative efforts support comprehensive project planning, improve access to multiple funding sources, and enhance the State's ability to address community infrastructure, housing, and economic development needs in a coordinated and effective manner.

**Actions planned to enhance coordination between public and private housing and social service agencies**

The State of Nebraska will continually seek to enhance coordination between public and private housing and social service agencies, through collaboration as new partners are identified.

**Discussion:**

## Program Specific Requirements

### **AP-90 Program Specific Requirements – 91.320(k)(1,2,3)**

**Introduction:** Program Specific Requirements for CDBG, HOME, ESG, HOPWA, and HTF

#### **Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)**

CDBG application criteria, method of distribution, selection criteria, threshold factors and grant size limits are identified within the AP-30 Method of Distribution section, along with the allocated funding categories. In accordance with 24 CFR 570.484, the State certifies that, in the aggregate, not less than 70 percent of the CDBG funds received by the state during a period specified by the state, not to exceed three years, will be used for activities that benefit low- and moderate-income persons. At this time, no urgent needs posing a serious and immediate threat to the health or welfare of the community have been identified.

In addition, Nebraska permits local units of government to retain program income at the local level for eligible projects and activities. Refer to Appendix 2.2, for a list of local program income accounts within the non-entitlement areas. The number of authorized local units of government may change as the Department reviews the evaluates the capacity of each local jurisdiction to administer program income effectively. Information regarding the total program income is also referenced in the narrative provided in Section AP15.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$1,848,375.00
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
Total Program Income	\$1,848,375.00

#### **Other CDBG Requirements**

1. The amount of urgent need activities	0
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#### **HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)**

- 1. A description of other forms of investment being used beyond those identified in Section**

**92.205 is as follows:**

No forms of investments other than those found in 92.205 will apply to use the Nebraska HOME Funds.

- 2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

Recapture provisions will be used for home buyer activities where the buyer does not occupy the home for the minimum period of affordability. This is derived from the HOME Program regulations at 92.254(a)(5)(ii)(A). The HOME Program (92.254(a)(5)) permits either resale restrictions or recapture. DED has elected not to adopt resale as an option for HOME homebuyer activities and requires homebuyer projects to adopt the recapture method outlined in Appendix 3.1.

- 3. **A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

<i>Homeownership assistance HOME amount per-unit</i>	<i>Minimum period of affordability in years</i>
<i>Under 25,000</i>	<i>5</i>
<i>Over \$25,000 to \$50,000</i>	<i>10</i>
<i>Over \$50,000</i>	<i>15</i>

- 4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

NDED does not intend to use its HOME funds to refinance existing debt secured by multifamily housing rehabilitated with HOME funds.

- 5. **If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(I)(2)(vii)).**

Not Applicable

- 6. **If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(I)(2)(vii)).**

Not Applicable

- 7. **If applicable, a description of any preference or limitation for rental housing projects. (See**

**24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).**

Not Applicable

**Housing Opportunities for Persons living With HIV/AIDS (HOPWA)  
Reference 24 CFR 91.320(k)(4)**

**What are the one year program goals?**

- ☐. Public Service activities other than  
LMI Housing Benefit: 40 Persons  
Assisted
- ☐. Tenant-based rental assistance  
/ Rapid Rehousing: 20  
Households Assisted
- ☐. Homeless Prevention: 175 Persons Assisted
- ☐. Housing for People  
with HIV/AIDS added: 1  
Household/Housing  
Units assisted

**Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations).**

Within Nebraska, the Nebraska AIDS Project (NAP) an AIDS Service Organization that provides case management services statewide to persons living with HIV/AIDS. DHHS awarded HOPWA funds to NAP after completing a Request for Application (RFA) in February 2021 NAP serves as the project sponsor for the HOPWA Program and has offices located in Omaha, Lincoln, Kearney, Norfolk, and Scottsbluff.

**Emergency Solutions Grant (ESG)  
Reference 91.320(k)(3)**

1. **Include written standards for providing ESG assistance (may include as attachment)**  
ESG written standards are a living document and as such, will be revisited, edited and updated as needed. The current version of this document is posted at:  
<https://community-services.unl.edu/cas/ccfl/community-services/sites/unl.edu.cas.ccfl.community-services/files/media/file/Nebraska%20Balance%20of%20State%20Written%20Standards%2>

2. **If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

The BoS CoC has successfully implemented the Coordinated Entry system on January 17, 2018. NHAP is actively involved in the Coordinated Entry process through participation in the Coordinated Entry (CE) Planning committees and a standing member of the CE governing body. The Coordinated Entry manual, instructions and brochures can be viewed at: <https://ccfl.unl.edu/community-services-management/coordinated-entry>

Successful coordinated entry requires the participation of all housing and service providers in the community, participate in a designated process to coordinate entry to housing; including the use of coordinated referrals and triage, common applications, common entrance criteria and centralized lists.

The Coordinated Entry system:

- Diverts people away from the system who have other safe options for housing. □ Helps unplug the system by moving people more quickly through the referral process.
- Reduces duplication of efforts and help serve individuals better.
- Reduces frustration for service providers through targeting and engagement efforts.
- Quickly moves people from homelessness by connecting them to the most appropriate housing program available.
- Creates a more effective and defined role for emergency shelters and housing providers.
- Increases housing stability by targeting the appropriate housing intervention to correspond with the needs.
- Allows Continuum of Cares to be good stewards of limited resources.

The role and expectations of the CoC include:

- Overseeing body for the community-wide planning and coordination of programs for individuals and families who are homeless.
- The purpose and objectives of the Balance of State CoC are:
  - Gather information in order to identify and fill the gaps in services and community needs;
  - Protect and improve the lives and safety of the homeless and near homeless;
  - Actively engage homeless and other stakeholders in developing solutions to achieving self-sufficiency;
  - Communicate with funding entities, other organizations, and the public at large to promote the general welfare of the homeless and to

- increase self-sufficiency; and
- Ensure full development of a continuum of care with the shelter, housing and programs necessary to meet the needs of all homeless people and efficiently and effectively move them to self-sufficient life.

The University of Nebraska Lincoln, Center on Children, Families, and the Law (CCFL) was designated by the BoS CoC as the Coordinating Entity. CCFL houses the Coordinated Entry Manager who is responsible for the day-to-day administration of the Coordinated Entry System, which includes but is not limited to the following:

- Create and widely disseminate marketing materials regarding services available through the Coordinated Entry System and how to access those services;
- Ensure training regarding Coordinated Entry is available to participating agencies. At a minimum, the trainings will cover:
  - Verification of chronic homelessness
  - Who to assess
  - How to administer the VI-SPDAT
  - Process and procedure for referring to coordinated entry
  - Review of policies and procedures
  - Assessments and prioritization
  - Criteria for uniform decision making
- Management of participant HMIS records;
- Ensure pertinent information is entered into HMIS for monitoring and tracking the process of referrals, including availability of resources, completion of assessments, and referrals made;
- Arrange case reviews to resolve rejections by housing programs and refusal by participants to engage in housing plans in compliance with the housing program guidelines;
- Manage appeals process utilizing protocol described in this manual;
- Manage processes to enable providers not participating in HMIS to participate in Coordinated Entry.
- Organize ongoing quality control activities to ensure function and performance remain accountable to participants, referral sources, and homeless service providers throughout the Coordinated Entry process;
- Evaluate efforts to ensure Coordinated Entry is functioning as intended;
- Update Coordinated Entry system and process as determined necessary by a broad and representative group of stakeholders;
- Update Operations Manual as needed;
- Manage all public relations requests relating to Coordinated Entry.
- Provide open and transparent communication to referral sources,

- homeless and housing providers, and community members;
- Respond to email questions and provide guidance.

**3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

The State NHAP (ESG/HSATF) program is awarded through a competitive application process. Announcements of funding opportunities are posted on the DHHS website and distributed to each regional CoC email list. For FY 2025, NHAP will be in the second year of the three-year

funding cycle, thus the funding is only available to current NHAP sub recipients in good standing. See <https://dhhs.ne.gov/Pages/Homeless-Assistance.aspx> for further information on the three-year funding cycle and additional information regarding the process for allocation and distribution of the ESG and HSATF allocation.

Funding by geographic region is announced prior to the application process. Funding awards are based on input from the applicable CoC to ensure an inclusive array of services in the region and review of the applications received to meet service needs in each geographical region. The eligible applicants are units of general local government and individual non-profits, including faith-based organizations.

**4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

All NHAP sub-recipients are expected to involve homeless or formerly homeless individuals on their Board or actively consult with them regarding ESG policies, funding, and activities. The NHAP applications request a narrative regarding consultations with homeless or formerly homeless individuals, which is evaluated as part of the review process. Furthermore, during on-site monitoring visits conducted by the State, NHAP sub-recipients are required to demonstrate that this assurance is being met.

Additionally, the BoS CoC has a formerly homeless individual who represents the 5 regions that comprise the BoS and participates in policy and funding determinations. The BoS CoC has also established a youth action sub-committee comprised of homeless and/or formerly homeless youth to provide input on funding and policy decisions. The youth action subcommittee also designates a representative to participate in the BoS CoC meetings to provide input on increasing engagement with youth-focused services.

**5. Describe performance standards for evaluating ESG.**

The primary goals the State strives for NHAP sub-recipients to achieve include reducing the length of homelessness, exits to permanent housing destinations and reducing

returns to homelessness.

A performance report card with performance metrics has been established by the BoS CoC. Currently, a report is issued through HMIS or a comparable database for the victim service providers and distributed annually to all CoC and ESG grantees. NHAP has also incorporated these performance measurements into the annual application process as an evaluation component of the success of NHAP sub-recipients in meeting program standards. All NHAP subrecipients, including the City of Lincoln and the City of Omaha, which are entitlement cities but receive NHAP Homeless Assistance Trust Funds, are required to submit their performance measures, which are utilized to determine funding decisions.

Part of the performance measures specifically relate to housing stability and increasing economic self-sufficiency. With the housing stability information collected, the State and BoS CoC will jointly review and work to develop strategies which can help providers assist the homeless gain stable housing.

### **Housing Trust Fund (HTF)**

#### **Reference 24 CFR 91.320(k)(5)**

#### **1. How will the grantee distribute its HTF funds?**

As permitted by the Interim Rule, up to 10% of the HTF annual allocation will be used to offset administrative costs. All programmatic funds will be distributed through the following existing program structures:

- Allocations and Set Asides (Please refer to Appendix 1.2 for the distribution of the allocation for the HTF program)
- Nebraska will reserve a portion of the State’s annual HTF allocation for affordable multi-family rental projects, single-family rental projects and rental rehabilitation projects to be used as “gap” financing in coordination with Nebraska Investment Finance Authority (NIFA) through the joint NIFA/DED application cycles for Low Income Housing Tax Credits within the 9% tax credit cycles, the 4% tax bond cycle and the CRANE Application cycles. Nebraska will be participating in the 4% tax bond cycle in coordination with NIFA to allow an additional opportunity for DED to invest HTF funds into rental housing projects in order to increase the supply of rental housing available for ELI persons. This allocation will be referred to as the “LIHTC Set Aside”. Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
- Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred to as the “Targeted Needs Set Aside”. Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

- Nebraska will allocate the remainder of HTF funds for permanent housing projects for the homeless; persons at risk of homelessness; and other special needs populations, made available through
  - 1) acquisition, rehabilitation, and resale of existing residential units or
  - 2) rehabilitation of residential units for the creation of new permanent housing units, or rehabilitation of existing housing units, within the Omaha CoC; the Lincoln CoC; and the BoS CoC. This allocation will be referred to as the “Permanent Housing SetAside. “Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
- Forms of Assistance: Eligible uses of funds include loans, equity investments, and other State approved forms of assistance

**2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter “N/A”.**

N/A

**3. If distributing HTF funds by selecting applications submitted by eligible recipients,**

**a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Eligible Recipients include local or regional non-profit 501(c)(3) or 501 (c)(4) housing or related service organizations, local units of government, for-profit developers, non-profit housing providers, redevelopment organizations or public housing authorities that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

- Make acceptable assurances to the State that it will comply with the requirements of the HTF program during the entire period that begins upon selection of the recipient to receive HTF funds, and ending upon the conclusion of all HTF-funded activities.
- Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity.
- Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and

- Have demonstrated experience and capacity to carry out an eligible HTF activity as evidenced by its ability to: own, construct, rehabilitate, and manage and operate an affordable multifamily rental housing development

**b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients. 90% of the HTF funds will benefit extremely low income (ELI) households for rental housing and up to 10% will be used for state administration expenses. Rental housing activities may include:

- Acquisition and rehabilitation of existing housing units (for the creation of additional rental units for ELI persons).
- Rehabilitation of existing rental units.
- Adaptive re-use of existing buildings.
- New construction of rental units.
- Operating Cost Assistance (utilized with other rental housing activities); and
- Operating Cost Assistance Reserves (utilized with other rental housing activities).

Operating cost assistance and operating cost assistance reserves may be provided only to rental housing acquired, rehabilitated, reconstructed, or newly constructed with HTF funds and DED will award no more than one-third of the state’s annual award to be used as operating cost assistance or operating cost assistance reserves. Operating cost assistance and operating cost assistance reserves may be used for insurance, utilities, real property taxes, maintenance, and scheduled payments to a reserve for replacing major systems. The eligible amount of HTF funds per unit for operating cost assistance is determined based on the deficit remaining after the monthly rent payment for the HTF-assisted unit is applied to the HTF- assisted unit’s share of the monthly operating cost.

Pursuant to §93.203(a) of the Interim Rule, HTF cannot be used for operating cost assistance reserves if HTF funds are used for the construction or rehabilitation of public housing units. The public housing units constructed or rehabilitated using HTF must receive Public Housing Operating Fund assistance under section 9 of the 1937 Act.

In addition, public housing is only eligible under HTF if the proposed project is part of HUD’s Rental Assistance Demonstration (RAD) program, Choice Neighborhood Initiative Program, or involves the LIHTC Program. Priority will be given to projects creating new units.

**c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Eligible recipients of National Housing Trust (HTF) Funds must meet specific application requirements, including demonstrating capacity, adhering to state and federal compliance guidelines, and submitting detail project proposals.

### **Threshold Requirements**

Experience Requirements: Applicants must demonstrate sufficient experience and capacity to own, construct, rehabilitate, manage and operate affordable multifamily rental housing. History of experience of compliance with federal, state and local laws during similar projects.

### **Compliance with Regulations**

All participants must comply with federal, state and local regulations regarding housing, including fair housing laws, and must maintain certain affirmative marketing responsibilities.

### **Review of application**

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the 7 housing selection criteria, and includes the following information, unless waived by DED for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and the applicant will be notified. Reasonable time will be given to the applicant to submit the missing information.

1. Submit a complete application to DED. After applications are submitted, DED will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:

- a. Required application forms submitted: all required DED-provided forms for current year application will be posted on the DED website for the Targeted and or Permanent Housing prior to the beginning of the application cycle and the NIFA website for the joint application cycles.
- b. Required third-party documents submitted. A checklist and instructions of the complete list of required documents will be posted prior to application cycle.
- c. Applicants must comply in all respects with DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding. Any updates or changes to federal regulations will be posted on the HTF website along with the list of forms that were updated.

2. Provide description, reference and/or supporting documentation that an eligible activity is proposed by the project according to the Nebraska HTF Allocation Plan eligible activity definition, which is that activities may include rehabilitation (including acquisition); preservation; new construction; and operating assistance. These activities will benefit extremely low-income (ELI) households, at or below 30% of the Area Median Income (AMI).
3. Demonstrate the financial feasibility of the project.
4. Certify that housing assisted with HTF funds will comply with HTF requirements.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30- year period of affordability is maintainable.
6. Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the 2025 and prior NIFA/DED Joint Application (HTF Program Year 2024 and prior) must have achieved Release of Funds at the time of application to be eligible to apply for HTF funds in the 2027 NIFA/DED Joint Application (HTF Program Year 2026).

#### **DED Housing Priorities and Scoring Criteria**

HTF funds will be awarded to the applicants whose applications are complete, meet all requirements, and score the highest points until HTF funds have been allocated. If there is a tie in the scoring of two or more applications, the projects will be ranked in the following order to determine which applicant receives priority:

1. The application with the greatest amount of additional subsidy per unit.
2. The application with a proposed project under the Targeted Set-Aside or Special- Needs Set-Aside.
3. The most complete application as determined by the State's completeness review team. DED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the DED application evaluation determines a proposed project is not financially viable or feasible.

#### **Selection Criteria**

All applications will be evaluated based on seven criteria that receive equal consideration during the selection process:

1. Geographic Diversity: Projects must consider and support a variety of geographic areas within the state to ensure broad access to funding.
2. Ability to Obligate HTF Funds: Applicants must demonstrate their capability to use HTF funds effectively and in a timely manner.
3. Timeliness of Project Implementation: The extent to which projects can be initiated and completed within the schedule set forth by the HTF program influences selection.
4. Affordability for Extremely Low-Income Families: The project must feature assistance for extremely low-income families, ensuring that rental housing is affordable.
5. Duration of Period of Affordability: Projects that offer longer periods of affordability for units are favored, contributing to long-term housing stability for tenants.
6. Alignment with State's Priority Housing Needs: Applications are assessed based on how well they meet the critical housing needs identified by the State.
7. Use of Non-Federal Resources: The extent to which projects can leverage additional resources outside federal funding (such as state or local funds) will be considered favorably

**d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".**

Geographic distribution will be dependent on which HTF application cycle funds are being requested, as the discussion below demonstrates.

- LIHTC Set Aside: For HTF applicants applying within the LIHTC set aside, the entire state is the eligible area. The joint NIFA/DED LIHTC application cycles achieve geographic diversity by awarding 50% of available funds to projects in urban areas and 50% to projects located in rural areas.
- Targeted Needs Set Aside: For HTF applicants applying within the Targeted Needs set aside, the entire state is the eligible area. While two of the three set asides do provide geographic diversity, the Targeted Needs set aside will not have a scoring hierarchy associated with geography. This is due to funding limitations and feasibility.

**Permanent Housing Set Aside:**

For HTF applicants applying for the Permanent Housing set aside, funds will be distributed equally between the Continuum of Care (CoC) Regions, which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, Southeast, and Northeast Regions of Nebraska.

**e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control. Along the collaboration with the partners involved in the project, pre-development, and post-award and how they assist in timely completion of the organization’s proposed HTF project.

**f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Developments supported by HTF funds will be required to enter into a restrictive covenant agreement pledging to maintain the units in the program for a 30-year period

**g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

HTF funds will be provided only to projects that demonstrate financial feasibility during the required 30-year period. Based on information submitted and other relevant information available, department staff will analyze and adjust the financial considerations in accordance with the QAP. A review of development costs, permanent financing sources and amounts, public funding amounts, Developer Fees, projected rents, projected Operating Expenses, vacancy rates, and other financial considerations of a Project and reserves the right to contact lenders and syndicators directly to obtain additional information. Based on its review, adjustments may be needed to ensure that proposed sources and uses of funds and other financial considerations are reasonable.

**h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

The State of Nebraska has many cost-burdened renter families that need quality affordable housing. The HTF is primarily a funding source meant to add HTF-assisted units to the supply of affordable housing for extremely low-income households. The Consolidated Plan highlights the priority housing need as increasing more affordable housing options across the state by fostering inclusive communities free of barriers to individuals underserved by existing housing programs.

**i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.**

Given the 30% AMI income targeting requirements, viable developments will likely require additional sources of funding. Funding or assistance provided must be binding and unconditional. Applicants that are able to provide non-federal sources of funding will have a competitive advantage in scoring.

**j. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.**

Yes, the applicant’s application for HTF funds must include a description of the eligible activities to be conducted with these funds.

**k. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.**

Yes, the grantee’s application requires each eligible recipient certify that housing units assisted with Housing Trust Funds (HTF) will comply with HTF requirements. This process is vital to ensure compliance with federal and state housing program requirements and to promote effective implementation of housing projects funded by HTF.

**1. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee’s goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.**

Yes

**2. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee’s maximum per-unit development subsidy limits for housing assisted with HTF funds.**

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME’s maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

During the 2026 Program Year, the State will adopt the maximum per unit subsidy limits used in the HOME Investment Partnerships Program. This will enable Nebraska and its development partners to obtain additional experience using HTF to create affordable rental housing for ELI households. These existing limits are developed for another program; are being adopted for the HTF program; and will meet the HTF requirements. The HTF Maximum Per Unit Subsidy will be consistent with the current HOME Maximum Per Unit Subsidy Limits for Nebraska.

The decision to use the HOME subsidy limits and apply them statewide is based on an analysis of the actual total development costs per unit of affordable rental housing properties in Nebraska for the past few years. While there is a variation in individual project costs, there is relatively little variation in the average per unit costs in various locations throughout the state, in both rural and urban areas. Because of the relatively consistent development costs throughout the state, Nebraska chooses to utilize the HOME per unit subsidy limits as these limits exist and are of an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

**3. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.**

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and

local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

The State has established rehabilitation standards that are used for housing rehabilitation projects. These standards are included as Appendix 4.1. These standards provide detail on what work is required, how that work should be performed and what materials should be used. The State's Standards address:

- Health and safety.
- Major systems.
- Lead-Based Paint.
- Accessibility.
- Disaster Mitigation.
- State and local Codes, Ordinances, and Zoning Requirements; and
- Inspectable Areas and Observable Deficiencies from HUD's Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing

NOTE: DED is awaiting the implementation of the NSPIRE (National Standards for the Physical Inspection of Real Estate) Standards Ruling. The ruling has been delayed several times and is currently delayed until February 1, 2027.

NSPIRE Standards include new affirmative requirements defined generally as property attributes or requirements that must be met. When a property does not meet these requirements, it constitutes a defect in the inspection and results in a point deduction(s) from the property's score. HUD understands that property owners, managers, and maintenance staff are still in the process of complying with these new affirmative requirements; therefore, HUD is extending the policy of not scoring these new affirmative requirements.

**4. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".**

N/A – The HTF Program currently only supports rental housing development.

**5. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".**

N/A – The HTF Program currently only supports rental housing development.

**6. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”**

N/A

**Discussion:**

## 2026 Estimated Allocation Table

\*\*This concides with AP-15 Expected Resources

Source	Funding Sources						Total
	CDBG Federal	HOME Federal	HTF Federal	ESG Federal	HOPWA Federal	HSATF State	
<b>Total 2026 Allocation*</b>	<b>\$10,575,107.00</b>	<b>\$3,886,307.57</b>	<b>\$3,134,373.20</b>	<b>\$989,114.00</b>	<b>\$955,484.00</b>	<b>\$2,041,732.30</b>	<b>\$21,582,118.07</b>
<i>State Administration, Operations, &amp; Technical Assistance</i>	<i>\$417,253.21</i>	<i>\$388,630.76</i>	<i>\$313,437.32</i>	<i>\$49,457.20</i>	<i>\$28,664.00</i>	<i>\$75,000.00</i>	<i>\$1,272,442.49</i>
<i>2026 Allocation available to Eligible Applicants</i>	<i>\$10,157,853.79</i>	<i>\$3,497,676.81</i>	<i>\$2,820,935.88</i>	<i>\$939,656.80</i>	<i>\$926,820.00</i>	<i>\$1,966,732.30</i>	<i>\$20,309,675.58</i>
<b>Total Prior Year Resources Not Obligated</b>	<b>\$11,974,354.64</b>	<b>\$1,168,631.51</b>	<b>\$431,837.46</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$13,574,823.61</b>
<b>Program Income - Total</b>	<b>\$1,848,375.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,848,375.00</b>
<i>Program Income - State RLF</i>	<i>\$145,198.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$145,198.00</i>
<i>Program Income - Local (Appendix 2.2)</i>	<i>\$1,703,177.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$0.00</i>	<i>\$1,703,177.00</i>
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$24,397,836.64</b>	<b>\$5,054,939.08</b>	<b>\$3,566,210.66</b>	<b>\$989,114.00</b>	<b>\$955,484.00</b>	<b>\$2,041,732.30</b>	<b>\$37,005,316.68</b>
<b>TOTAL TO DISTRIBUTE TO ELIGIBLE APPLICANTS</b>	<b>\$22,277,406.43</b>	<b>\$4,666,308.32</b>	<b>\$3,252,773.34</b>	<b>\$939,656.80</b>	<b>\$926,820.00</b>	<b>\$1,966,732.30</b>	<b>\$35,732,874.19</b>

#### Administration, Operations, & Technical Assistance Calculations

**CDBG:** A portion of the allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a).

**HOME:** 10% of the HOME Allocation will be reserved for state administration.

**HTF:** Up to 10% of the allocation will be used for state administration.

**ESG:** 5% will be set aside for state administration to provide technical assistance and program support.

**HOPWA:** Up to 3% of the allocation can be used for state administration.

**HSATF:** Per State statute 68-1601 to 68-1608, up to \$75,000 may be set aside for administration costs. HSATF does not include non-matching HSATF funds.

2026 Estimated Categorical Distribution Table

\*\* This coincides with AP-20 Annual Goals and Objectives

Funding Source	Priorities						State Administration	Total
	Affordable Housing	Community Development	Economic Development	Community Planning and Capacity Building	Homeless Services	HOPWA Services		
<b>CDBG (Allocation/Carryover)***</b>							\$ 417,253.21	\$ 21,822,461.64
<i>Downtown Revitalization</i>		\$ 4,739,444.15						
<i>Economic Development</i>			\$ 2,649,551.23					
<i>Planning</i>				\$ 713,849.90				
<i>Public Works - Infrastructure</i>		\$ 5,094,754.29						
<i>Public Works - Facilities</i>		\$ 5,094,754.29						
<i>Tourism Development</i>			\$ 3,112,854.57					
<b>CDBG State RLF</b>							\$	145,198.00
<i>Economic Development</i>			\$ 145,198.00					
<b>HOME</b>							\$ 388,630.76	\$ 5,054,939.08
<i>CHDO Project</i>	\$ 1,300,000.00							
<i>CHDO Operating</i>	\$ 140,000.00							
<i>LIHTC Competitive/LIHTC Set-Aside</i>	\$ 3,226,308.32							
<b>HOPWA</b>						\$ 926,820.00	\$ 28,664.00	\$ 955,484.00
<b>ESG (NHAP)</b>					\$ 939,686.80		\$ 49,457.20	\$ 989,144.00
<b>HSATF (NHAP)</b>					\$ 1,966,732.30		\$ 75,000.00	\$ 2,041,732.30
<b>HTF</b>							\$ 313,437.32	\$ 3,566,210.66
<i>LIHTC Competitive/LIHTC Set-Aside</i>	\$ 1,372,149.42							
<i>Permanent Set Aside</i>	\$ 940,311.96							
<i>Targeted Needs Set Aside</i>	\$ 940,311.96							
<b>TOTAL</b>	\$ 7,919,081.66	\$ 14,928,952.73	\$ 5,907,603.80	\$ 713,849.90	\$ 2,906,419.10	\$ 926,820.00	\$ 1,272,442.49	\$ 34,575,169.68

**Funding Source Notes:**

**CDBG:** Amounts include the proposed estimated 2026 allocation, carryover from previous years, and State CDBG program income. The Local CDBG Program Income is not included within this table.

**HSATF:** The Priority excludes ineligible ESG funding activities and entitlement Regions 6 and 7 (non-matching funds)

**ESG:** 5% will be set aside for state administration to provide technical assistance and program support.

## 2026 Program Year Application Cycles

Funding Source	Application Cycle
<b>Community Development Block Grant (CDBG)</b>	
▪ Downtown Revitalization	Due: September 15, 2026
▪ Economic Development	Open Cycle: begins July 1, 2026
▪ Planning	Due: September 15, 2026 Additional Cycles: To Be Determined
▪ Public Works - Infrastructure	Due: September 15, 2026 Additional Cycles: To Be Determined
▪ Public Works – Facilities	Due: September 15, 2026 Additional Cycles: To Be Determined
▪ Tourism Development	Open Cycle: begins July 1, 2026
<b>HOME Investment Partnerships Program (HOME)</b>	
▪ CHDO	Open Cycle
▪ LIHTC 9% Competitive Cycle – Joint Application	Due: May 6, 2027
▪ LIHTC 4% Bond Allocation Cycle – Joint Application	Due: July 29, 2026
▪ LIHTC 9% - CRANE	Open Cycle
<b>National Housing Trust Fund (HTF)</b>	
▪ LIHTC 9% – CRANE	Open Cycle
▪ LIHTC 9% Competitive Cycle – Joint Application	Due: May 6, 2027
▪ LIHTC 4% Bond Allocation Cycle – Joint Application	Due: July 29, 2026
▪ Permanent Set Aside	Open Cycle
▪ Targeted Needs Set Aside	Open Cycle
<b>Housing Opportunities for Persons with AIDS (HOPWA)</b>	
	Open Cycle
<b>NHAP (Emergency Solutions Grant/ Homeless Shelter Assistance Trust Funds)</b>	
▪ HMIS	RFA Released: September 15, 2022 Due: October 24, 2022
▪ Regional Funds	RFA Released: January 12, 2024 Due: February 9, 2024

## Chapter 8 - Record of Changes

Date	Description of Change	Section
2019	DED issued Policy Memo: Program Income and Revolving Loan Fund Updates, including Technical Assistance and Guidance for Re-purposing, Definition of an Idle Account, and Repayment Instructions	DED Policy Memo 19-03
2020	As of June 30, 2020, generally no new Housing RLFs will be approved by DED.	
2022	Special Assessments are highly discouraged starting in Program Year 2022	
2024	The previous Program Income Appendix 4 was embedded into Chapter 8 Program Income	
	Removal of Public Benefits Report	Reporting
2025	Removed NDO information and process from Manual and listed under CDBG website/resources	

# CHAPTER 8 – PROGRAM INCOME

Program income for the CDBG program is regulated by the provisions of 24 CFR 570.489(e). This regulation should be consulted for definitions and for other guidance concerning program income.

Broadly, **program income (PI)** is defined as gross income received by a State, or a subrecipient, generated from the use of CDBG funds regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except in limited circumstances [See also 24 CFR 570.489(e)(2)]. When program income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used.

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State's policy for use of program income is that it coordinates local and State resources to the fullest extent possible. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations.

## 8.1 PROGRAM INCOME FURTHER DEFINED

Per 24 CFR 570.489(e), program income includes, but is not limited to, the following:

- 1) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government (subrecipient). [See also 24 CFR 570.489(e)(2)(v)];
- 2) Proceeds from the disposition of equipment purchased with CDBG funds;
- 3) Gross income from the use or rental of real or personal property acquired by the unit of general local government (subrecipient) or subgrantee of the unit of general local government (subrecipient) with CDBG funds, less the costs incidental to the generation of the income;
- 4) Gross income from the use or rental of real property, owned by the unit of general local government (subrecipient) or other entity carrying out a CDBG activity that was constructed or improved with CDBG funds, less the costs incidental to the generation of the income;
- 5) Payments of principal and interest on loans made using CDBG funds, except in instances where "Payments of principal and interest made by a subgrantee carrying out a CDBG activity for a unit of general local government (subrecipient), toward a loan from the local government (subrecipient) to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;" [See also 24 CFR 570.489(e)(2)(iii)];

- 6) Proceeds from the sale of loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- 7) Proceeds from the sale of obligations secured by loans made with CDBG funds, less reasonable legal and other costs incurred in the course of such sale that are not otherwise eligible costs under sections 105(a)(13) or 106(d)(3)(A) of Title I of the Housing and Community Development Act of 1974 (as amended);
- 8) Interest earned on funds held in a revolving fund account;
- 9) Interest earned on program income pending disposition of the income;
- 10) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low- and moderate-income, if the special assessments are used to recover all or part of the CDBG portion of a public improvement; and
- 11) Gross income paid to a unit of general local government (subrecipient) or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG assistance.

## 8.2 REVOLVING LOAN FUNDS DEFINED

Per 24 CFR 570.489(f), a **revolving loan fund (RLF)**, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. *These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the U.S. Treasury for RLF activities.*

## 8.3 CDBG STATE REVOLVING LOAN FUND (STATE RLF)

CDBG program income returned to DED is deposited within the State RLF. The State awards funding from the State RLF through the CDBG Economic Development (ED) Category. Following a successful application, these funds are awarded to subrecipients to provide a direct loan to a business either through the NDO process or direct loan from the subrecipient.

Projects funded with the State RLF must meet CDBG requirements, including meeting a CDBG National Objective through Benefitting Low- and Moderate-Income Persons through the subcategory of job creation/job retention (LMJ).

### CDBG Allocation vs CDBG State RLF

When a community applies through the CDBG Economic Development (ED) category, DED determines whether CDBG funds from the Annual Allocation or the State RLF based on funding available as appropriate for the project.

## 8.4 PROGRAM INCOME – IDLE ACCOUNTS MUST BE RETURNED

Program Income, including those funds held in an RLF and/or reuse account, cannot be held in perpetuity. Where a subrecipient has Program Income within such an account, if funds are not actively revolving, it may meet the definition of an Idle Account. Funds that are held for 12 months or more without accomplishment or beneficiaries is considered an “idle” account.

PI/RLF accounts are defined as “idle” if one or more of the following is true:

- Local government (subrecipient), or its agent(s), did not identify an eligible project during a 12-

month period.

- Local government (subrecipient) has funds obligated/awarded but not disbursed within 12 months of the date of the commitment and/or award (i.e., “failed project”).

Active accounts have active projects with a letter of commitment/award that is dated and signed by an authorized official (i.e., the CEO). Account activity for determining an “idle” status does not include “non-project” activities such as transferring (or repurposing) funds, charging administrative costs or collecting program income from past transactions (e.g., interest, loan repayments, etc.), etc.

DED will determine if the local unit of government program income account is idle. DED will evaluate the local program income account semi-annually. Local unit of government program income accounts that are deemed “idle” may require the balance and all future funds be returned to DED. Local government must return Idle Account funds to DED, and annually thereafter. Returned funds will be deposited into the State’s RLF. Funds held in an Idle Account must be returned in a timely manner (i.e., 60 days of the state’s fiscal yearend) or the local government will not be considered in “good standing” and additional sanctions may apply, including de-obligation/termination of existing open grants and/or ineligibility to apply for DED resources.

## 8.5 HOW TO REPURPOSE LOCAL PROGRAM INCOME

### Eligible CDBG Activities

Refer to the CDBG Administration Manual, Chapter 3 for the list of eligible CDBG Activities that Nebraska has identified as priority activities.

### Eligible National Objective

Benefit low- and moderate-income (LMI) persons within the subcategories of:

- Area Benefit (LMA)
- Limited Clientele (LMC)
- Housing (LMH)
- Job Creation/Retention (LMJ)

NOTE: Local PI/RLF must use the LMI national objective; therefore, are **not allowed** to use the national objectives of 1) aid in the prevention of slums or blight nor 2) urgent need. At the discretion of DED and in very limited circumstances, waivers may be granted. HUD regulations require a majority of program income funds – including those held by local governments – to meet the National Objective of benefitting LMI persons.

### Amending Reuse Plan

If Local Government determines a need to amend their Reuse plan, they need to contact the Department regarding the process and proposed changes. To amend the Reuse Plan, the Local Government must submit the following items to DED:

Letter from the CEO identifying:

- Reason for the change of the Reuse plan,
- Certification of approval by the local governing body (meeting minutes)
- Copy of the proposed Reuse plan

DED will notify the local government of the results of their review for the proposed amended Reuse Plan. **DED must approve the proposed amended Reuse Plan prior to implementation.**

## 8.6 LOCAL ECONOMIC DEVELOPMENT (ED) PROGRAM INCOME

### PROGRAM INCOME AND “CONTINUING THE SAME ACTIVITY”

The local government may retain program income if used to continue the activity from which it was derived, per Federal regulations; otherwise, the State may require the return of program income. The State is permitted to define “continuing the same project activity.”

For the purposes of program income, the State defines “continuing the same project activity” as:

- **Existing Local ED Revolving Loan Fund:** For local governments with existing program income in an existing Local ED Revolving Loan Fund, or who are currently utilizing the NDO (Nonprofit Development Organization) process, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the subrecipient’s DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- **No Existing Local ED Revolving Loan Fund (e.g., local unit of government has not established a local ED Revolving Loan Fund):**
  - For ED subrecipients, program income that was generated from the use of CDBG funds for the awarded activities may utilize the NDO process. In the instance where the NDO process is utilized, continuing the same project activity is defined as providing assistance for the same CDBG eligible activities as defined in the subrecipient’s DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
  - For ED subrecipients, program income generated from the use of CDBG funds awarded activities may be deposited into a newly created Local ED Revolving Loan Fund account. Any program income that is deposited through this process, continuing the same project activity is defined as providing assistance to the same business for the same activity for which it was originally funded.

### Local Economic Development Program Income Revolving Loan Funds (Local ED RLF) Policy

The following rules apply to Local Economic Development Program Income Revolving Loan Funds (RLFs):

- All Local ED RLF must be kept in a separate bank account (interest-bearing).
- All Local ED RLF must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the Local ED RLF cannot exceed 5% of the Program Income received during the semi-annual reporting period.
- Each Local Reuse Plan (including amendments) must be approved by DED.
- Funds in a Local ED RLF are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a Local ED RLF, shall in no case, have a balance that exceeds \$500,000. Any amounts in excess of \$500,000 shall be returned to the State.
- Re-purposing of Idle RLF funds is generally no longer allowed except for those repurposing projects currently in process.
- DED requires funds held in an Idle Account to be returned.
- New ED RLFs will generally not be approved by DED.

### Local Economic Development Program Income and Units of General Local Government

The unit of general local government (UGLG) has the following options for utilizing CDBG program income, including:

- Returning the program income funds to DED;
- Using the program income within an existing Local ED RLF;
- Establishing a Local ED RLF; or

- Utilizing the NDO process.

Below are the specific requirements that relate to the options each unit of general local government have for their use of program income.

## 8.7 RETURNING PROGRAM INCOME FUNDS TO DED

The local government may return program income to DED using one of the three processes described below.

1. Where **no Local RLF exists**, the process for returning program income funds includes:
  - a. Sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income funds are being returned and
  - b. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG funds that the community is returning. (check identifies CDBG grant origination)
  - c. Any future program income payments a community may receive, and will be returning to DED, should be collected by the local government and those funds should be returned to DED once there is a reasonable balance (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).
2. Where there is an existing Local RLF, **if a local government wishes to return program income and to discontinue the Local RLF**, the process for returning program income funds includes:
  - a. Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF and that the local government is discontinuing the Local ED RLF;
  - b. Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
  - c. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would also be returned to DED.

3. Where a local government wishes to **return program income that is in an Existing Local ED RLF and continue to operate the Local ED RLF**, the process for returning program income funds includes:
  - a. Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF;
  - b. Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
  - c. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local ED RLF.

### Use of Program Income – Existing Local ED Revolving Loan Fund

In order to retain CDBG program income, and the local government chooses to utilize an existing Local ED RLF, the local government will do so by completing the following steps:

- 1) The local government must provide DED with a written Notice of Intent to use a Local Economic

Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.

- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators.
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i. The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
    - ii. The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii. The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;
    - iv. The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v. The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
    - vi. The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically meeting the national objectives through LMJ, LMC, or LMA.
    - vii. The local government understands that DED must approve their Local Reuse Plan.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to DED. DED will apply the funds to the State CDBG RLF.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED RLF must be consistent with the requirements of Revised Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local ED RLF must be locally monitored and the amount of program income within the Local ED RLF must be reported to DED. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This reporting includes, but is not limited to, loans made,

payments received, proposed and actual jobs created (or retained) beneficiary data, and amendments to the original loan or lease agreement, as required by DED.

- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local ED RLF is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.
- 6) Local governments that are currently operating a Local ED RLF and choose to discontinue the operation of the Local ED RLF can return the funds to DED by following the requirements for “Returning the program income funds to DED” as noted above.

In addition, the State schedules monitoring with all local governments who have operated or continue to operate a Local ED RLF. At its discretion, **DED will conduct monitoring.** The State will review loans from previous Program Years. The monitoring will be conducted either via desktop monitoring or onsite monitoring. The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions for the specific compliance issues discovered.

DED enters into a CDBG Agreement with the local government for each new (original, State-funded) CDBG Project. The Agreement includes a process for handling program income generated by the project. The Agreement details the procedures for the expected Program Income that is unique to that project.

### Establishing a Local ED Revolving Loan Fund

In order to retain CDBG program income, and the local government chooses to establish a Local ED RLF it will do so by completing the following steps:

- 1) The local government must provide DED with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” that is defined for new ED projects as noted above and includes “providing assistance to the same business for the same activity for which it was originally funded.”
- 2) The local government must administer the Local ED RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i. The local government who is retaining the CDBG program income within a Local ED RLF will comply with all applicable CDBG rules and regulations;
    - ii. The local government understands that the Local ED RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii. The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local ED RLF;

- iv. The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
  - v. The local government understands that Local ED RLF funds from a community are solely for the benefit of the community that established the Local ED RLF and that these funds cannot be provided to any regional ED program that would assist other communities;
  - vi. The local government understands that all projects will consist of ED activities that benefit low-to-moderate income persons, specifically low- to- moderate jobs.
  - vii. The local government understands that all projects funded through the Local ED RLF must meet a CDBG National Objective; and
  - viii. The local government understands that DED must approve this Local Reuse Plan.
- 4) DED must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to DED as stated within the CDBG Agreement, DED will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local ED RLF and return the program income funds to DED. DED will apply the funds to the State CDBG Revolving Loan Fund.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED Revolving Loan Fund must be consistent with the requirements of the Local Reuse Plan that must be approved by DED prior to the local government approving any applications for activities.
- 4) All program income within the Local ED Revolving Loan Fund must be locally monitored and the amount of program income within the Local ED RLF must be reported to DED. Status updates concerning the outstanding loans or leases shall be submitted on a semi-annual basis. This reporting includes, but is not limited to, loans made, payments received, proposed and actual jobs created, and amendments to the original loan or lease agreement, as required by DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local ED Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local ED RLF.
- 6) Local governments that are currently operating a Local ED Revolving Loan Fund and choose to discontinue the operation of the Local ED Revolving Loan Fund can return the funds to DED by following the above requirements for “Returning the program income funds to DED” noted above.

The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered, including returning of funds to the State.

## 8.8 LOCAL HOUSING PROGRAM INCOME

The unit of general local government (UGLG) has the following options for utilizing CDBG housing program income that unit of local government may receive. These options include:

- 1) Returning the program income funds to DED;
- 2) Retaining the program income and using it to continue the same CDBG eligible housing activities; or
- 3) Using the program income within an existing Local Housing Revolving Loan Fund (RLF) on CDBG eligible housing or repurposing activities.

### Program Income and “Continuing the Same Activity”

Federal regulations also allow the State to require the return of program income provided the local government has an opportunity to retain the program income if the program income will be used to continue the activity from which it was derived. For the purposes of program income, the State defines “continuing the same project activity” as owner occupied rehabilitation and homeownership assistance.

### Local Housing Revolving Loan Fund Vs. Reuse Account

Per 24 CFR 570.489(f), a **Revolving Loan Fund (RLF)**, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the Treasury for RLF activities. Such program income is not required to be disbursed for non-revolving fund activities. **As of June 30, 2020, generally no new Housing RLFs will be approved by DED.**

A **Reuse Account** is a separate fund established to carry out specific activities that do not generate payments to the account. Per 24 CFR 570.489(e)(3)(ii)(B), if the grant between the State and the unit of local government that generated the program income is still open when it is generated, it will be considered part of the unit of local government’s grant that generated it and must be disbursed before additional grant funds are drawn down from the Treasury for grant activities. If the grant is closed out, the program income will be considered to be part of the unit of general local government’s most recently awarded open grant, regardless of activity.

### Housing Program Income Funds Policy

The following rules apply to CDBG Housing Program Income Reuse Accounts and Revolving Loan Funds (RLFs):

- All housing program income must be kept in a separate bank account (interest-bearing).
- All housing program income accounts must employ or contractually retain a CDBG Certified Administrator.
- Certain administrative costs, including those associated with general administrative and housing management, taken from the housing program income account cannot exceed the limits set forth in the grant specific program guidelines, approved by DED, and based on the income received. See Chapter 4 for details.
- Each Local Reuse Plan (including amendments) must be approved by DED.
- Funds in a housing program income account are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a housing program income account, shall in no case, have a balance that exceeds \$500,000. Any amounts in excess of \$500,000 shall be returned to the State.
- DED requires funds held in an **Idle Account** be returned.

Below are the specific requirements that relate to the option that the unit of general local government has chosen for its use of program income.

## Returning Program Income Funds to DED

The local government may return program income to DED using one of the three processes described below.

### 1. *No Local Housing RLF exists*

Where **no Local Housing RLF exists**, the process for returning program income funds includes:

- a. Sending a cover letter that clearly notes the previous CDBG grant number where the funds originated and that these CDBG program income funds are being returned; and
- b. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG funds that the community is returning. (check identifies CDBG grant origination)

Any future program income payments a community may receive, and will be returning to DED, should be collected by the unit of local government and those funds should be returned to DED once there is a reasonable balance (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

### 2. *Existing Local Housing RLF and Discontinuing Operation*

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and discontinue the Local Housing RLF**, the process for returning program income funds includes:

- a. Sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing RLF and that the local government is discontinuing the Local Housing RLF;
- b. Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- c. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG program income funds the community is returning.

Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to DED.

### 3. *Existing Local Housing RLF and Continuing Operation*

If a unit of local government wishes to **return program income that is in an Existing Local Housing RLF and continue to operate the Local Housing RLF**, the process for returning program income funds includes:

- a. Sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing RLF;
- b. Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- c. Sending a check payable to the “Nebraska Department of Economic Development” to DED for the amount of CDBG program income funds that the community is returning.

Any subsequent program income payments that the local government may receive would be deposited in the Existing Local Housing RLF.

## Retaining the Program Income in a Reuse Account and Using it to Continue the Same CDBG Eligible Housing Related Activities

In order to retain CDBG program income, the unit of local government will maintain their program income in a Local CDBG Program Income Account and adopt a Local Reuse Plan that includes a detailed description of the local government and includes administration and priorities of the program income projects to be approved by the local government which are consistent with the definition of “continuing the same project activity” as described above.

A local government's Local Reuse Plan must state that all projects will consist of activities that benefit low-to-moderate income persons, specifically low-to-moderate income housing as defined within the local government's DED-approved Local Reuse Plan, as part of the local government's contractual requirements with DED.

At any time, a local government will have the option to discontinue utilizing the housing program income and return it to DED. DED will apply the funds to the State CDBG Revolving Loan Fund (also known as the State Revolving Loan Fund).

At the end of the calendar year, if the total amount **received** in a Reuse Account by the unit of local government is less than \$35,000 (24 CFR 570.489(e)), that amount should be removed from the Local CDBG Program Income Reuse Account and de-obligated to the unit of local government. That amount is no longer reported as program income. This applies to Reuse Accounts only. All program income received within a Local Housing Revolving Loan Fund never loses its identity as program income and should be reported to DED.

The local government will also be required to comply with the following CDBG requirements that include:

- 1) If the initial activity, which generated the program income and is defined as "continuing the same project activity", has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as "continuing the same project activity", must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used for additional activities must be consistent with the requirements of the Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing RLF or Local Housing Reuse Account must be locally monitored and the amount of program income within that account must be reported to DED. Status updates concerning the program income funds shall be submitted on a semi-annual basis. This reporting includes, but is not limited to, grants/loans made, payments received, housing activities, beneficiary data, and amendments to the original loans, as required by DED.
- 5) All program income **earned**, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing RLF or Local Housing Reuse Account is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF or Local Housing Reuse Account.
- 6) Local governments that are currently utilizing a Local Housing RLF or Local Housing Reuse Account and choose to discontinue the operation of that Local Account must return the funds to DED by following the above requirements for "Returning the program income funds to DED" noted above.

The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

## Using Program Income – Existing Local Housing Revolving Loan Fund

In order to retain CDBG program income that is in an existing Local Housing RLF, the unit of local government will have to certify and ensure that the Local Housing RLF is properly established in order to meet DED requirements. This Local Housing RLF would be utilized for the purposes of retaining CDBG program income, and reusing that program income, for the purposes of carrying out specific housing activities, which in turn, generate payments to the RLF for use in carrying out additional housing activities.

If the local government chooses to utilize an existing Local Housing RLF it will do so by completing the following steps:

- 1) The unit of local government must provide DED with a written Notice of Intent to use a Local Housing Revolving Loan Fund (Local Housing RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local Housing RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators.
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;
    - vi) The local government understands that all projects will consist of housing activities that benefit low-to-moderate income persons;
    - vii) The local government understands that all projects funded through the Local Housing RLF must meet a CDBG National Objective; and
    - viii) The local government understands that DED must approve this Local Reuse Plan.
- 4) DED must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to DED as stated within the CDBG agreement, DED will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to DED. DED will apply the funds to the State RLF.

**All program income received in a Local Housing Revolving Loan Fund account never loses its identity as program income and must be reported to DED.**

- 1) The local government will also be required to comply with the following CDBG requirements that include:  
If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.

- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG housing grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local Housing Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by DED prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing Revolving Loan Fund must be locally monitored and the amount of program income within the Local Housing RLF must be reported to DED. Status updates concerning the outstanding loans shall be submitted on a semi-annual basis. This reporting includes, but is not limited to, loans made, payments received, housing activities, beneficiary data, and amendments to the original loan, as required by DED.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing Revolving Loan Fund is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF.
- 6) Local governments that are currently operating a Local Housing Revolving Loan Fund and choose to discontinue the operation of the Local Housing Revolving Loan Fund can return the funds to DED by following the above requirements for “Returning the program income funds to DED” noted above.

The State will review local projects for compliance with all CDBG rules and regulations. Findings of non-compliance will result in the State taking appropriate corrective actions appropriate for the specific compliance issues discovered.

## **8.9 OTHER CDBG PROGRAM INCOME**

Program income generated from other CDBG activities would follow the above-mentioned steps with the need for any necessary adjustments related to non-economic development or non-housing activities.

## **8.10 REPORTING PROGRAM INCOME**

Local governments are required to report program income from all CDBG projects on a semi-annual basis. Reporting periods are:

- July 1 – December 31: **Report due January 30**
- January 1 – June 30: **Report due July 30**

Separate reporting forms are available for Local ED Program Income and Local Housing Program Income on DED’s website, <https://opportunity.nebraska.gov/CDBG>. In order to report other program income from non-ED or non-housing projects, please contact your Program Representative.

Program Income Reports can be submitted to DED via email. Follow the Instructions for each type of report for guidance on reporting and timely submissions. Subrecipients must retain a copy of each Program Income Report in their files.

# ATTACHMENT 1: PROGRAM INCOME GUIDANCE

The following are three planning tools for local governments pursuing use or re-purposing of program income based on activity type. Each tool provides a basic framework, details are found within the relevant sections of the CDBG Manual. Address your specific questions to your DED CDBG Program Representative.

## Reuse Plan for Community Development Activities

The following outline is a planning tool for local governments pursuing use or re-purposing of program income for **community development activities**. This is effectively a one-time use of funds as there is no revolving loan component.

### Part I: Type of Plan (Geographic area where funds can be used)

Projects must be located within community's limits or zoning jurisdiction ("service area").

### Part II: Goals and Objectives of the Plan

- A. National Objective Compliance: Local governments must document that each project meets the National Objective of benefit to low- and moderate-income (LMI) persons within the subcategories of:
  - 1. Area Benefit (LMA). Beneficiaries must be LMI residents within the defined service area that is at least 51% LMI according to census or income survey data.
  - 2. Limited Clientele (LMC). Beneficiaries must be those classified as LMC, see CDBG Manual for definition.
- B. Local Objectives (examples). Based on the local needs assessment (formal or informal), identify priorities.
  - 1. Example LMA objectives:
    - a) To cost-share CDBG-eligible priorities identified within the local capital improvement plan, including public infrastructure and facilities.
  - 2. Example LMC objectives:
    - a) Removal of architectural barriers in public facilities, including outdoor public spaces, sidewalks, and municipal buildings.
    - b) Improvements or new construction of senior centers, daycare centers, or homeless facilities.

### Part III: Elements of the Plan

- A. Eligible Activities: public infrastructure (e.g., streets, roads, water wells, storage and distribution systems, storm sewers, sanitary sewer and treatment systems), public facilities, daycare centers, etc.

B. Guidelines for Assistance:

- a) Minimum and maximum dollar amounts
- b) Matching funds are not required for program income projects, as determined by the local government.

**NOTE:** if the local unit of government is funding public infrastructure and/or facilities, this section may be limited to items “a” through “b”. If providing assistance to a non-profit (e.g., offering grants to daycare centers or medical clinics), the reuse plan must include these additional items:

- c) Types of assistance
- d) Terms of assistance (must comply with change in use requirements)
- e) Amounts of assistance

#### Part IV: Administration of the Plan (Describe operating procedures)

Implementation of plan requires a certified administrator. See Chapter 12--Financial for more information, including maximum allowable costs associated with general administration and, where applicable, supporting project costs.

- A. Administration procedures, i.e., identify internal controls for payment to vendors.
- B. Recordkeeping and reporting procedures, i.e., identify who is responsible for reporting required semi-annual reporting to DED.
- C. CDBG compliance process (e.g., procurement, environmental review, DBRA, civil rights, etc.).
  1. How are contractors selected, agreements signed between the selected contractor(s) and local government, and payments approved and disbursed to those contractor(s)?
  2. Who is responsible for monitoring requirements?
  3. Who is responsible for CDBG compliance process (e.g., procurement, environmental review, civil rights, etc.)?
- D. Amendment procedures (must include provision for DED approval).
- E. Verification of the project’s approval by the local government and DED (see part V).

#### Part V: Reporting to DED

Where a new or existing RLF account is being tapped for community development activities, DED must approve of the Re-Use Plan and Project prior to implementation. Use of CDBG program income requires progress reporting on the proposed and actual beneficiaries. Be sure to identify the principal local contact for matters related to program income; typically, this person is responsible for submitting:

- Program Income reports,
- Notification of Annual Audit, etc.

## Reuse Plan for Economic Development Activities

The following outline is a planning tool for local governments pursuing use or re-purposing of program income for **economic development activities**. See the CDBG Economic Development Application Guidelines for definitions of terms.

### Part I: Type of Plan (Geographic area where funds can be used)

Project's service area must be located within community's limits or zoning jurisdiction.

### Part II: Goals and Objectives of the Plan

- A. National Objective Compliance: Local governments must document that each project meets the National Objective of benefit to low- and moderate-income (LMI) persons within the subcategories of:
  - 1. Job Creation/Retention (LMJ). At least 51% of the jobs created or retained must be held by or available to LMI persons.
  - 2. Area Benefit (LMA). Beneficiary must be a for-profit business that provides essential goods and services to LMI residents within the defined service area that is at least 51% LMI according to census or income survey data.
  - 3. Limited Clientele (LMC). Beneficiaries must be those classified as LMC, see CDBG Manual for definition.
- B. Local Objectives
  - 1. Example LMJ objectives:
    - a) To provide financing for start-up and existing "for-profit" businesses.
    - b) To create and retain jobs principally for low-moderate income persons.
    - c) To provide necessary public infrastructure to businesses.
  - 2. Example LMA objectives:
    - a) To provide financing for start-up and existing businesses that provide essential goods and services, including succession of ownership and/or management.
    - b) To provide financing for improvements addressing ADA-accessibility where the proposed property for improvements is owned by an eligible business. Under LMA, an eligible business is one that provides essential goods or services.

### Part III: Elements of the Plan

Several options are described below; give careful consideration when determining capacity to operate. For example, some eligible activities and types of assistance are challenging in terms of compliance with CDBG regulations. Local governments are responsible for compliance.

- A. Eligible Businesses: Industrial, manufacturing, food processing, agricultural processing, commercial, service, telecommunication, transportation, retail, tourism, etc. Non-profit businesses are not eligible. Retail businesses are acceptable with Program Income.
- B. Eligible Activities: Acquisition of real estate, land and buildings, fixed assets, machinery and equipment, renovations, remodeling, site preparation, working capital, and public infrastructure that benefits an

eligible business (e.g., streets, roads, water wells, storage and distribution systems, storm sewers, sanitary sewer and treatment systems) and the business creates or retains jobs.

- C. Types of Assistance: Grants; direct loans; deferred loans; performance-based, forgivable loans; etc.
- D. Guidelines for Assistance:
  - 1. Minimum or maximum dollar amounts
  - 2. What percentage of total project cost will community finance?
  - 3. What percentage of equity injections is required from owners or business?
  - 4. Interest rate of loans
  - 5. Loan terms (must not exceed useful life of assets financed); the following are maximum-term limits by type:
    - a) Working capital 1-3 years,
    - b) Machinery and equipment 3-7 years,
    - c) Land and buildings up to 15 years.

#### Part IV: Administration of the Plan (Describe operating procedures)

RLF accounts require a certified administrator. See Chapter 12-Financial for more information, including maximum allowable costs associated with general administration and, where applicable, supporting project costs.

- A. Application Process
  - 1. Where can businesses get an application?
  - 2. Who is on the application review committee?
  - 3. Who makes the final determination on an application (e.g., review committee, village or county board, city council, etc.)?
- B. Project Implementation, Loan Closing, and Project Monitoring
  - 1. Who prepares the legal documents and security instruments (e.g., loan agreements, promissory notes, guarantees, contracts, deed of trust, mortgage, financing statement, U.C.C. form, etc.)?
  - 2. How are funds disbursed to the business?
  - 3. Who is responsible for loan servicing and monitoring job creation/retention requirements?
  - 4. Who is responsible for CDBG compliance such as the environmental review for each project and Labor Standards-Davis Bacon compliance if applicable?
- C. Describe amendment procedures (must include provision for DED approval of any changes to the plan/program guidelines).
- D. Verification of the plan's approval by the local government and DED.

#### Part V: Reporting to DED

Use of CDBG program income requires progress reporting on the proposed and actual beneficiaries. Be sure to identify the principal local contact for matters related to program income; typically, this person is responsible for submitting:

- Program Income reports,
- Notification of Annual Audit, etc.

#### Reuse Plan for Housing Activities

The following outline is a planning tool for local governments pursuing use or re-purposing of program income for *housing activities*.

### Part I: Type of Plan (Geographic area where funds can be used)

Projects must be located within community's limits or zoning jurisdiction ("service area").

### Part II: Goals and Objectives of the Plan

- A. National Objective Compliance: Local governments must document that each project meets the National Objective of benefit to low- and moderate-income (LMI) persons within the subcategory of Housing (LMH). Beneficiaries must be those classified as LMI, see CDBG Manual for definition.
- B. Local Objectives, example LMH objectives:
  - 1. Provide decent housing
  - 2. Provide a suitable living environment
  - 3. Expand economic opportunity
  - 4. Improve availability/accessibility
  - 5. Improve affordability
  - 6. Improve sustainability

### Part III: Elements of the Plan

Several options are described below; give careful consideration when determining capacity to operate. For example, some eligible activities and types of assistance are challenging in terms of compliance with CDBG regulations. Local governments are responsible for compliance.

- A. Eligible Applicants: Homeowners and Homebuyers at 80% AMI or less.
- B. Eligible Activities:
  - 1. Owner Occupied Rehabilitation.
  - 2. Homeownership Assistance, which may include one or more of the following:
    - a) Down Payment Assistance (maximum 50% of required);
    - b) Closing Costs;
    - c) Mortgage Insurance; etc.
- C. Types of Assistance (examples): Grants, direct loans, deferred loans, or forgivable loans.
- D. Guidelines for Assistance (examples):
  - 1. Minimum or maximum dollar amounts;
  - 2. Affordability Period (minimum of five (5) years) and methods of ensuring compliance thereof;
  - 3. Interest rate of loans;
  - 4. Loan terms;
  - 5. Standards for assistance; etc.

### Part IV: Administration of the Plan (Describe operating procedures)

RLF accounts require a certified administrator. See Chapter 12-Financial for more information, including maximum allowable costs associated with general administration and, where applicable, supporting

project costs.

A. Application Process/Selection Criteria

1. Where can a homeowner get an application?
2. Who makes the final determination on an application (e.g., review committee, village or county board, city council, etc.)?
3. Is there a priority ranking system? (If applicable, such ranking system cannot contain discriminatory criteria.)
4. What is the notification process for approval, notice to proceed, acceptance of work, etc.?

B. Project Implementation and Monitoring

1. Who prepares the legal documents and security instruments (e.g., loan agreements, promissory notes, guarantees, contracts, deed of trust, mortgage, financing statement, etc.)?
2. How are contractors selected, agreements signed between the selected contractor(s) and homeowner(s), and payments approved and disbursed to those contractor(s)?
3. Who is responsible for loan servicing and monitoring requirements under the program?
4. Who is responsible for CDBG compliance process (e.g., procurement, environmental review, civil rights, etc.)?
5. Who is responsible for recordkeeping?

C. Describe amendment procedures (must include provision for DED approval of any changes to the plan/program guidelines).

D. Verification of the Housing Re-Use Plan and Housing Guidelines approval by the local government and DED.

## Part V: Reporting to DED

Use of CDBG program income requires progress reporting on the proposed and actual beneficiaries. Be sure to identify the principal local contact for matters related to program income; typically, this person is responsible for submitting:

- Program Income reports,
- Notification of Annual Audit, etc.

## PROGRAM INCOME & REVOLVING LOAN FUND FREQUENTLY ASKED QUESTIONS

### What is “re-purposing” of CDBG Program Income Revolving Loan Funds?

Your community (e.g., local government -- county, city or village) has Community Development Block Grant (“CDBG”) Program Income funds that could be “re-purposed”. See *DED’s Policy Memo 19-03* for re-purposing details and an outline of a Re-Use Plan. Funds previously held for Housing or Economic Development Revolving Loan Funds (RLF) and/or Housing Reuse Accounts can be “re-purposed” and used for other CDBG eligible activities, such as Public Works type projects, or funds can be moved from one funding category to another with this process.

**Re-purposing applies to all CDBG program income accounts.** For purposes in this document, “Housing Reuse” and “RLF” are used interchangeably, as both types of accounts are CDBG program income.

### To begin the re-purposed project, what do we need to have completed?

A number of steps in the re-purposing process require DED’s approval before proceeding with your re-purposing project. Your file must include the following items:

1. Project description.
2. Public hearing documentation, including:
  - a. Copy of public hearing notice,
  - b. Proof of publication, and
  - c. Meeting minutes, including public comments, if any.
3. Amended Re-Use Plan, if applicable.
4. Amended Housing Program Guidelines, if applicable.
5. Environmental Review Record.

### Are we required to utilize a Certified Administrator to administer an RLF?

A Certified Administrator is required to administer an RLF. If hiring a Certified Administrator (CA), regulations require a Professional Services Contract (which supports paying CDBG administration costs). Be sure your CA billings are not a flat amount or percentage (i.e., follow 2 CFR 200, which by today’s standards requires billing to show hours worked and what actions were taken).

### What are the local government options with this re-purposing effort?

The following options are open to the local government for its CDBG RLF Program Income:

1. Retain the RLF (actively) and update the existing Re-Use Plan(s).
2. Discontinue the RLF, but continue servicing the existing loan portfolio, and making periodic remittances to DED.
3. Re-purpose the RLF fund to eventually conduct other CDBG-eligible activities.

### What types of CDBG project categories are best for RLF use?

DED encourages projects which involve Public Works or Economic Development. In contrast, DED discourages consideration of using the RLF for Housing PRR (Purchase/Rehab/Resell), Tourism, Downtown Revitalization, Disaster Recovery, Emergent Threat, or Planning.

### What is the status of my RLF?

The status of your RLF depends on several factors, most notably recent activity. There are three basic types of accounts:

1. **Idle.** Idle accounts are those having been inactive for 12 months or more.
2. **Discontinued.** Discontinued accounts are those that are “closed” to new activity.
3. **Active.** Active accounts are those consistently dispensing and receiving funds for approved activities.

### We have idle funds. Can we keep them and decide what to do later?

No. With *Policy Memo 19-03*, DED is requiring funds in Idle Accounts be returned to DED by June 30, 2020 and annually thereafter. To activate your idle accounts, projects need to be committed well before that date. DED shall not grant extensions where activity underway cannot be demonstrated.

### We have idle funds. Can we return them now?

Yes. It is OK and preferred to return balances promptly. Many accounts may hold small balances thus it may be impractical to use the funds responsibly, efficiently, and/or without incurring an inordinate amount of costs.

### If we decide to discontinue our program income account, what are the steps?

To discontinue our program income account, the *CDBG Manual Chapter 8 – Program Income* details the steps, which are summarized here:

1. Hold a public hearing to amend and “discontinue” the current (CDBG RLF) Re-Use Plan and return the funds to Nebraska Department of Economic Development (DED).
2. Send a copy of the (local government hearing) certified minutes and a letter from the CEO stating that the funds are being returned due to discontinuance.
3. Write a check for the balance payable to DED.
4. Continue to report and periodically send the accumulated balance to DED (if loan repayments will occur in the future), until the fund and future repayments are exhausted.

### If a community discontinues their program income RLF account, returns the balance to DED, but still has accounts receivable, how should we handle scheduled repayments from beneficiaries?

Accounts receivable include loans being repaid or other program income. Repayments are considered program income. The program income account and the ED or Housing program is officially “closed” (i.e., discontinued). The grantee must continue servicing the loans and collecting payments. As a best practice, the community makes periodic payments to DED, corresponding with the submission of semi-annual program income reports. Ideally this involves returning the funds on a semi-annual basis. For planning purposes, future repayments can be applied to the proposed project(s) and included in planned expenditures.

**NOTE:** You must keep reporting program income until all outstanding repayment balances are exhausted.

### How do we begin the re-purposing process?

1. **Review existing plans** for Capital Improvements or Housing, making a list of viable projects.
2. **Discuss with DED or your Certified Administrator** -- CDBG eligibility of your project.
3. **Develop a project description** -- subject to approval by DED.
4. **Draft a Re-Use Plan, and Housing Program Guidelines, if applicable**– consult with DED who must approve your Plan.
5. **Develop a publication notice for the public hearing** -- include the project description and notice of re-purposing in the public notice.
6. **Conduct a public hearing** -- ratification by local government (with certified minutes).
7. **Create the Environmental Review Record**– subject to approval by DED before beginning.
8. **Begin the project** – with the goal of using the funds within two years.

### What is involved with amending or updating our RLF’s Re-Use Plan?

Review the existing Re-Use Plan, and, in many cases, little will need to be done to update the old plan. By having a

“re-purposing” and “discontinuance” hearing, that is often all that is needed. The old Re-Use Plan will continue to operate and apply to existing projects (as amended for discontinuance or re-purposing).

- If you are **discontinuing** the RLF, conduct a public hearing that covers an “amendment” to the existing plan to “discontinue” the plan (provide certified minutes of the hearing). No additional work is required.
- If you **re-purpose** your RLF program income (e.g., from Housing or ED to a Public Works project, and discontinue the old), then the public hearing would cover the “re-purposing” and can be combined with the new project’s public hearing (for your Public Works or other eligible project/program).
- If you **continue** your existing RLF, then an updated Re-Use Plan will be needed to reflect all current CDBG rules and State policies, and to show its approval by DED. Housing RLFs will likely need to provide an update to the Housing Program Guidelines. You must submit your modified Re-Use Plan and/or Housing Program Guidelines for DED approval. See *CDBG Manual Chapter 4- Developing Program Guidelines*.

### What is the difference between a Housing Reuse Account and a Housing Revolving Loan Fund?

A **Reuse Account** is a separate fund established to carry out specific activities that do not generate payments to the account. For example, a community’s OOR program’s terms of assistance is a forgivable loan after a 5-year affordability period is fulfilled. That community was not intending on receiving any CDBG dollars back from the project. However, if a beneficiary does not maintain primary residence of the assisted house for the full affordability period/terms of the grant, the CDBG money is returned to the grantee as recaptured funds off the sale of the house. At the end of the calendar year, if the recaptured funds received within the year is less than \$35,000, those funds are deobligated to the unit of local government. NOTE: The \$35,000 threshold applies to the program income *received* in the calendar year, not the total balance of the account.

A **Revolving Loan Fund (RLF)** is a separate fund – with a set of accounts that are *separate* from other program accounts – established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. For example, a community’s OOR program’s terms of assistance is a 10-year fifty percent forgivable loan, fifty percent repayable loan at 1% interest. The community’s Housing RLF will be *receiving monthly principal and interest payments* from the homeowner with the intention of growing the RLF and completing more OORs in the future. Affordability period and recapture would still apply. All funds received in an RLF account is considered “program income” and is **never deobligated**.

Re-purposing applies to both Housing Reuse and Housing RLF program income accounts.

### If re-purposing to a Housing activity, are Revolving Loan Fund (RLF) accounts permitted?

A community should assess the total dollar amount available for the program, terms of the program, and if a RLF would be sustainable without becoming an idle account in the future.

### How much Administration expense can I budget for RLF?

There is a limit of 5% of Program Income received for administrative costs on current CDBG ED RLFs. For example, if \$60,000 was received in a six-month period, then you could charge up to \$3,000 for administration (provided your invoices amount to that much, etc.). There may be instances where the local government may have to contribute more funds (outside of RLF funds).

In some limited instances, where demonstration of need is met, DED may consider a request to waive that limit – i.e., if you need more than 5% to reasonably conduct your servicing (especially the cost burden of discontinuance or other actions), submit a proposal to DED. DED will review such proposals on a case-by-case basis.

In particular, where funds are re-purposed for a Public Works project, the 5% restriction may not be reasonable. DED will consider any reasonable proposal exceeding normal restrictions. Local government may consider paying for costs over the budgeted amounts.

### Are matching funds required for projects funded by Program Income?

Local governments can decide match requirements, if any. While the CDBG State Program overseen by DED requires match, when re-purposing program income, local governments can determine the match percentage, if any. The local government may opt for no matching requirement when projects are funded via locally held program income.

### Can we re-purpose the RLF and move dollars into an existing/ongoing or new CDBG project/grant?

While it is difficult to apply CDBG funds to an existing project, it may be allowed in certain instances. It is better to begin a new project and go from there. Generally, if the local government has a (pending or newer) project that the funds could be re-purposed to, then that project may qualify and should be considered strongly as a candidate activity for the funds.

### Can we include costs pertaining to Davis-Bacon and Related Acts (DBRA) and/or procurement costs in the RLF project?

Yes. The eligible HUD Matrix code that has the highest project activity cost would then have a separate Construction Management line in the budget. The amount is limited to reasonable costs and a maximum of \$5,000. Construction Management costs are separate from general administration costs and have a separate procurement of services. Costs associated with Construction Management are those of DBRA compliance and typically completed by the Labor Standards Compliance Officer.

### What if we have more questions about re-purposing?

Re-purposing is a nuanced effort. If you have questions, contact Tom Stephens at 402-471-6587, [tom.stephens@nebraska.gov](mailto:tom.stephens@nebraska.gov).

## AP-90 | CDBG Local Program Income

Per 24 CFR 91.320(k)1(iv), the State of Nebraska authorized local units of government to retain program income or establish local revolving fund accounts (RLFs). Below is a list of local units of government accounts, the estimated amount of funds available (*status of the 12/31 reporting period*) to fund eligible projects during the July 1, 2026 - June 30, 2027 program year. Eligible activities to be carried out with this funding include: water/sewer improvements, street improvements, sidewalks, economic development direct financial assistance to for-profit business, owner occupied rehabilitation, lead-based paint testing and mitigation, housing rehabilitation management, and general administration. The national objective used by local unit of governments include low-moderate income jobs (LMJ); low-moderate income housing (LMH), limited clientele (LMC), and low-moderate income on an area basis (LMA). The number of RLFs will change as the RLFs are discontinued.

	Local Government	Estimated Amount Available
1	Ainsworth	\$71,711
2	Alma	\$20,615
3	Atkinson	\$5,918
4	Auburn	\$10,571
5	Bassett	\$52,078
6	Bloomfield	\$60,250
7	Cambridge	\$32,672
8	Chadron	\$62,791
9	Creighton	\$48,138
10	Custer County	\$3,610
11	Dawes County	\$65,000
12	Elk Creek	\$10,146
13	Gothenburg	\$1,312
14	Greeley	\$15,151
15	Hebron	\$14,693
16	Jefferson County	\$4,409
17	Lancaster County	\$43,089
18	Madison	\$3,878
19	Newman Grove	\$82,137
20	Niobrara	\$57,948
21	Norfolk	\$105,073
22	Ogallala	\$4,076
23	Ord	\$49,383
24	Pawnee City	\$32,202
25	Pender	\$62,485
26	Peru	\$6,680
27	Pierce	\$44,682
28	Plymouth	\$144,409
29	Ravenna	\$28,298
30	Sargent	\$58,282
31	Stuart	\$94,044
32	Tecumseh	\$33,198
33	Valentine	\$43,310
34	Wakefield	\$159,031
35	York	\$171,907
	<b>Total</b>	<b>\$1,703,177</b>

## APPENDIX 3.1 | HOME Program Additional Information

### HOME PROGRAM INCOME

Program income, which the grantee has received or expects to receive as a result of grant activities, should be utilized and in conformance with the grantee's reuse plan as defined within the grantee's approved Program Guidelines for each HOME project.

In general, the Department continues to provide flexibility for housing organizations to use program income, particularly for projects that are funded through the HOME program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that for HOME program income (i.e. reuse funds) an organization should use their program income for the same activities awarded within the original project, or for other housing related activities, as long as the activities are HOME-eligible activities. This information would be noted within the Grantee's, Department approved, Reuse Plan.

For example, if the Department funds a New Construction project, and program income is received, the Grantee should use the program income for additional new construction activities or for other housing related activities as identified within the Grantee's Reuse Plan (i.e. homebuyer assistance, etc.).

Additional information will be provided regarding the HOME Program Income Requirements within the HOME Application Guidelines.

## **GUIDELINES FOR RESALE OR RECAPTURE OF HOME-FUNDED PROJECTS**

DED structures these guidelines based on individual program design and market conditions.

### **USE OF RESALE PROVISIONS FOR HOME-FUNDED PROJECTS**

The HOME Program (92.254(a)(5)) permits either resale restrictions or recapture. DED has elected not to adopt resale as an option for HOME homebuyer activities, and requires homebuyer projects to adopt the recapture method outlined below.

Resale is required only when there is a community land trust or there is no buyer subsidy, and DED has had neither type of project, nor does it intend to fund any such projects under this Plan. If at any time DED determines that a project will require resale restrictions rather than recapture, it will amend these guidelines under the Annual Plan amendment process and request HUD approval.

### **USE OF RECAPTURE PROVISIONS FOR HOME-FUNDED PROJECTS**

DED requires all homebuyer projects to use the “reduction during affordability period” recapture method permitted by 92.254(a)(5)(ii) as outlined below. The homebuyer project developer must adopt this declining balance method as part of its application and program guidelines submitted as part of the application, and DED incorporates these provisions into the written agreement and the Contract Terms and Special Conditions.

When a homebuyer receives direct homebuyer assistance from HOME funds, recapture provisions are placed on the transaction to ensure that HOME funds are recouped if the housing unit does not continue to be the principal residence of the household for the duration of the HOME-required affordability period.

*Amount subject to recapture:* The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but does not include the amount, if any, of development subsidy provided (the amount between the cost of producing the unit and market value of the property).

Any recaptured funds must be used to carry out HOME-eligible activities in accordance with the requirements of 24 CFR Part 92.254.

If the HOME assistance is only used for development subsidy, and therefore not subject to recapture, the resale option must be used.

*Net proceeds:* the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

When the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit during the HOME-required affordability period, the amount recaptured cannot exceed the net proceeds, if any.

If a home is sold to a subsequent low-income homebuyer, and no additional HOME assistance is provided, then the subsequent homebuyer may assume the HOME assistance (subject to the HOME requirements for the remainder of the period of affordability).

When HOME recapture funds are received by the DED grantee, these funds must be utilized for additional HOME-eligible activities and must comply with the HOME rules at 24 CFR Part 92 and must also comply with the DED-approved Homebuyer Guidelines or be returned to DED.

## METHOD OF RECAPTURE

The DED grantee must adopt the above provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines.

1. The DED grantee will recapture the entire amount of the HOME investment from the homeowner, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

For example, a homebuyer receives \$10,000 of HOME homebuyer assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year period of affordability. If the homebuyer sells the home after three years, the DED grantee would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy. The homebuyer would receive any net proceeds in excess of \$10,000.

2. The DED grantee will reduce the HOME investment amount to be recaptured during the affordability period, but the amount recaptured cannot exceed the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs. The amount of investment recaptured would be based on a prorate basis for the time the homeowner has owned and occupied the home.

The pro rata amount recaptured by the DED grantee will be determined by: 1) Dividing the number of years the homebuyer occupied the home by the period of affordability, and 2) Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

For example, a homebuyer receives \$10,000 of HOME homebuyer assistance and purchases a home developed with HOME funds for \$10,000 below fair market value. The total direct HOME subsidy to the homebuyer is \$20,000 and requires a 10-year period of affordability. If the homebuyer sells the unit in year 5 of the 10-year period of affordability, the DED grantee would forgive 50 percent of the direct HOME subsidy and recapture 50 percent of the direct HOME subsidy, or \$10,000 of the \$20,000 HOME investment, assuming that there are sufficient net proceeds available.

Using the above mentioned formula of,

$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of affordability}} \times \text{Total direct HOME subsidy} = \text{Recaptured Amount}$$

The DED grantee would receive a recaptured amount of \$10,000.

$$\frac{5 \text{ years (homebuyer occupied the home)}}{10\text{-year affordability period}} \times \$20,000 \text{ HOME funds} = \$10,000 \text{ recaptured}$$

# APPENDIX 4.1 | HTF Rehabilitation Standards

## ATTACHMENT A: NDED National Housing Trust Fund (HTF) | Rehabilitation Standards

### I. PURPOSE OF STANDARDS

- A. The National Housing Trust Fund Rehabilitation Standards (known herein as the “HTF Standards”) are designed to outline the requirements for building rehabilitation for all Nebraska Department of Economic Development (NDED) National Housing Trust Fund (HTF) funded multi-family housing projects. The HTF Standards are applicable to all NDED HTF-funded rehabilitation projects. The HTF Standards, though a requirement specifically to the development entity in direct receipt of NDED HTF funding, are written to provide guidance to all relevant members of a project development team.
- B. The goal of the NDED HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.
- C. If a project is out of compliance with the HTF Standards, the grantee shall bring to the attention of NDED staff the specific portion of the project which does not comply, stating the reasons for non-compliance. NDED staff will make a determination as to whether an exception to the HTF Standards shall be granted.
- D. Note: At the time of publication and adoption of the HTF Standards, the adopted codes referenced are believed to be those in force. As standards and codes change and are put into effect by the governing authorities having jurisdiction, the new standards and codes will apply in lieu of those referenced.

### II. QUALITY OF WORK

- A. Quality of Work: Grantees and developers shall ensure that all rehabilitation work is completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications as well as subsequent mutually agreed upon change orders during the construction process. Grantees and developers will employ best practice industry standards relating to quality assurance to verify all work completed.
- B. Project Design Professionals
  1. Projects will be designed by licensed professionals per applicable Nebraska Fire & Building Codes.
  2. The project developer will formally contract with licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes. (See Section III below.)
  3. In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices and installation methods and standards. Such specifications may reference other appropriate standards set by different trades associations and testing agencies such as ASTM, Underwriters Laboratory (U/L), Tile Council of America, Gypsum National Roofing Contractors Association (NRCA) Architectural Woodwork Institute, SMACNA, ASTM, AFME, etc.
- C. By meeting the various code requirements as a minimum standard, together with the other standards herein or in attendant NDED policies, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation.
- D. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

### III. CODE COMPLIANCE

- A. All work shall comply with all applicable Nebraska state and local codes, ordinances, and zoning requirements.

Applicable state codes include but are not limited to:

1. ICC, International Building Code (IBC), 2018
  2. International Existing Building Code, 2018
  3. International Energy Conservation Code, 2018
  4. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2018)
  5. International Residential Code, 2018
  6. Nebraska State Fire Code Regulations, Title 153
  7. NFPA 1, Fire Code, 2012
  8. NFPA 101, Life Safety Code, 2012
  9. Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
  10. Nebraska Elevator Statutes, Neb. Rev. Stat. §§48-2501 to 48-2533; and Code, Title 231, Chapter 1
  11. ADA Standard for Accessible Design, 2010
  12. Nebraska Department of Economic Development Minimum Standards for Rehabilitation
- B. Please note that the NDED HTF grantee must demonstrate compliance with all state and local codes through project affiliation with professional design team drawing certifications (e.g. architectural design stamp) and/or other approved methods such as state inspector certification.
  - C. A code review analysis will be produced by the project's design professionals itemizing the applicable codes for each area of discipline.
  - D. The HTF Standards are designed to exceed the Uniform Physical Condition Standards (UPCS) and ensure that upon completion, the HTF-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. See Attachment B attached hereto for a list of Inspectable Items and Observable Deficiencies, including descriptions of the type and degree of deficiency for each item that any HTF-assisted project must address, at a minimum.

### IV. HEALTH AND SAFETY

- A. If the housing is occupied at the time of rehabilitation, any life-threatening deficiencies must be identified and addressed immediately. See Attachment B for a list of Inspectable Items and Observable Deficiencies, including the identification of life-threatening deficiencies (highlighted in orange) for the property site, building exterior, building systems, common areas, and units.

### V. SCOPE OF WORK DETERMINATION

- A. In developing scopes of work, grantees and developers will work with NDED to ensure that all requirements under the HTF Standards are satisfied and that the proposed scope of work meets the goals of Part I above. NDED approval of all scopes of work is required.

### VI. EXPECTED USEFUL LIFE / REHABILITATION SCOPE & CAPITAL PLANNING

- A. In developing scopes of work on housing rehabilitation projects NDED HTF grantees and developers will consider the remaining expected useful life of all building components with regard to building long-term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (30 years) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than 30 years shall be considered for future replacement. For multifamily housing with 26 or more total units, the useful life of systems must be determined through a capital needs assessment that determines the work to be performed and identifies the

long-term physical needs of the project.

- B. Project capital needs assessments (CNAs) are required for multifamily housing with 26 or more total units; the CNA's must determine the useful life of systems and the work to be performed, including identifying the long-term physical needs of the project. The industry standard period for CNA's is 20 years; however, project CNA's must be updated every five years during the life of the project to ensure projected capital needs through the 30-year HTF affordability period are anticipated and planned for. The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
- C. Once a scope of work has been developed by the grantee and their development team, the grantee must also develop a capital plan in compliance with the Capital Needs Assessments. Whether or not a particular building component has been replaced, repaired or otherwise updated as part of the rehabilitation scope of work, all building components and major systems must demonstrate adequate funding to be viable for at least 20 years, the length of the capital plan, with subsequent updates every five years during the 30-year affordability period.
  - Example #1: Kitchen cabinets with a remaining useful life of 8 years may be permitted to be left in place and not included in the rehabilitation scope. However, adequate funding shall be demonstrated in the building capital plan to replace those cabinets in year 8 of the post-rehabilitation capital plan.
  - Example #2: If a building component such as a new roof is installed during the rehabilitation and this roof has an expected useful life of 25 years, it will not show up on the initial CNA as needing replacement during that 20-year period. However, since NDED requires updates of CNA's to be performed every 5 years, it will show up on the next 20-year CNA which will be performed in year 5 of the project and cover years 6-25. During these 5-year CNA updates, the project reserve contributions will be reviewed to ensure all future capital expenditures articulated in the CNA are adequately funded through the 30-year affordability period.
- D. Monthly replacement reserves contributions of at least \$50 per unit per month are required through the 30-year affordability period. If the initial 20-year CNA and capital plan (and/or any subsequent 5-year updates) indicate that replacement costs for the period exceed the amount generated by a \$50 per unit per month contribution, a higher per unit per month contribution will be required.
- E. Grantees and their development teams should ensure that all building components are analyzed as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way which maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.

## VII. ENERGY EFFICIENCY

- A. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code, Nebraska Uniform Energy Efficiency Codes, and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
- B. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.

## VIII. DISASTER MITIGATION

- A. To the extent applicable/relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. tornadoes, floods, wildfires) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.
- B. Specifically regarding flood hazards, a relevant potential natural disaster for the State of Nebraska:

1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
  2. Projects shall meet fluvial erosion prevention requirements per local municipality regulations.
- C.** Specifically regarding tornadoes, another relevant potential natural disaster for the State of Nebraska:
1. Projects shall meet applicable federal, state, and local codes and design considerations will be made for ensuring new construction includes a basement (if applicable and feasible) or a safe room. Rehabilitation of existing properties will include an evaluation of tornado safety features within the property.
  2. Applicable FEMA guidance will be consulted, as appropriate, including FEMA P-320 "Taking Shelter from the Storm: Building a Safe Room for Your Home or Small Business" and FEMA P-361 "Safe Rooms for Tornadoes and Hurricanes: Guidance for Community and Residential Safe Rooms, Third Edition (2015)" found at:
  3. <https://www.fema.gov/fema-p-320-taking-shelter-storm-building-safe-room-your-home-or-small-business> and <https://www.fema.gov/media-library/assets/documents/3140>

## **IX. BIDDING AND PROJECT MANAGEMENT**

- A.** All projects will be bid in accordance with procurement provisions of federal law found at 2 CFR §§200.318 through 200.326 and State Law which applies to all NDED HTF-funded projects. Grantees and developers will submit a project management plan with their application which will outline how the project will be managed (e.g. General Contractor (GC) bid project, Construction Management (CM) project or other project management plan). Any changes to project management operational structure which substantially varies from the plan provided to NDED at the time the HTF funding is awarded requires prior notification to NDED HTF staff.

## **X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS**

- A. BUILDING OCCUPANCY & CONSTRUCTION TYPE**
1. Fire resistance rating separation requirements per code
  2. Shall comply with NFPA 1 and NFPA 101, Chapters 8 & 43
- B. HISTORIC BUILDINGS**
1. Shall comply with NFPA 101, Chapter 43.10.4
  2. Shall comply with IBC, Chapter 3409
- C.** Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings and with consultation of the Nebraska State Historic Preservation Office (SHPO).
- D. ACCESSIBILITY REQUIREMENTS**
1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
  2. General Requirements:
    - a. Projects shall meet applicable Federal and State Regulations and Rules
    - b. The number of accessible apartment units shall be determined by the code requirements
    - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide

- (DOJ), as applicable
- d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD’s implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205 and that the Fair Housing Act Amendments of 1988 (as amended) with consideration being given to the accessibility/adaptability of units to handicapped occupancy.
  - e. Rehabilitation of existing buildings constructed and first occupied prior to March 13, 1991, that may be exempt from the Architectural Guidelines adopted in the Fair Housing Act Amendments of 1988 will ensure compliance with applicable federal, state, and local building codes and will include compliance with applicable Section 504 requirements.
3. Projects shall comply with other standards as may apply or be required by funding sources (i.e. USDA Rural Development)
  4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
    - a. For “substantial” rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
      - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
      - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
      - iii. Common spaces must be made accessible to the greatest extent feasible
    - b. For projects with “less-than-substantial” rehabilitation (anything less than “substantial”), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
  5. Projects, if applicable, shall comply with all Accessibility/Adaptable Dwelling requirements of the Fair Housing Act of 1988; applicable Uniform Federal Accessibility Standards (UFAS); and any applicable requirements of ANSI A117. These may include, but are not limited to:
    - a. The structures shall all be on an accessible route, in and through the Unit;
    - b. A proper number of units will be fully accessible and may target Special Needs households which may include the 5% minimum requirement per UFAS and ADA;
    - c. Units will have ADA Thresholds on all front Doors;
    - d. Units will have a removable Front and Panel on the Kitchen Sink;
    - e. Units will have reinforcement for future grab bars in all bathrooms, tubs, and showers;
    - f. Units will have Convenience receptacles, Switches, and controls mounted between 15” and 48” to the usable part of the device;
    - g. Units shall have 36” wide doors;
    - h. Units shall have ADA Lever handles on all hardware;
    - i. Units shall have the required floor space requirements for ranges, sinks, water closets, and lavatories;
    - j. Door swings will have 18” clearance beside the Latch side of the door, if the door swings into the direction of travel.

E. BUILDING DESIGN

1. The project developers are encouraged to draft an architectural program document outlining the goals for the project.
2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
3. Means of egress components shall be in conformance with Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
4. Apartment layout:
  - a. Room sizes –minimum in accordance with IBC 1208 and/or local codes.
  - b. Interior environment shall comply with Chapter 12 of the IBC.
  - c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
    - i. SRO's and other special housing types may be an exception
  - d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with IBC 1210
    - i. SRO's and other special housing types may be an exception
5. Storage – adequate clothes closets, pantry and general storage shall be provided.
6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste in compliance with current State and Federal regulations.
8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.

## XI. REHABILITATION CONSTRUCTION STANDARDS

### A. SITE

1. General:
  - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
  - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
  - c. Design and systems shall conform to all applicable codes, rules and regulations:
    - i. Local and municipal zoning
    - ii. Local and State Fire and Building Codes, current adopted addition
    - iii. Nebraska State Fire Code Regulations, Title, 153
    - iv. NFPA Codes as they may apply
  - d. Permits - Any and all permits, bonds or licenses required for the execution of the work specified by the Work Write-Up shall be obtained and paid for by the Contractor prior to the start of that work. Contractors and subcontractors will be responsible for obtaining any progress or final inspections from the local jurisdiction's building departments. Failure to call for the required inspections or proceeding without inspection, such as covering work without approval and deviating from approved plans and specs, may result in violations that could include no payment. Upon project completion, each unit must be decent, safe, sanitary, and in good repair.
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
4. Sewer connections to municipal sewage systems and on-site sewage disposal:
  - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New systems designed to conform to the State “Wastewater System & Potable Water Supply Rules” (WW permit) regulations.
5. Water service:
  - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Required new systems shall be designed to conform to the State “Wastewater System & Potable Water Supply Rules” (WW permit) regulations, and the American Waterworks Association (AWWA) guidelines.
6. Vehicular access to public way – site design shall conform to local zoning and transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.

9. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
  - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
12. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
14. Fuel Storage – Onsite outdoor placement and storage of fuels per applicable regulations and utility requirements.
15. Underground or overhead utilities – as regulated by code and utility rules.

**B. FOUNDATIONS**

1. Existing foundations shall be examined by qualified professionals
  - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
  - b. Design and implement structural reinforcements or reconstruction as necessary.
2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
4. New below-grade structures to conform to Chapter 18 of IBC as appropriate.
5. Basement floors:
  - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
  - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
  - c. Dead spaces
    - i. provide concrete rat slabs,
    - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
6. Moisture mitigation
  - a. Water and damproofing – where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.
  - b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
  - c. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

**C. MASONRY COMPONENTS**

1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended.
  - a. Masonry shall be plumb, and structurally sound.

2. Repair or replace deteriorated portions or missing units.
  - a. Brick veneer shall be sound, or repaired to be sound.
3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids.
  - a. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act.
  - a. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
5. Chimneys
  - a. Assure structural integrity, reconstruct, and point as necessary
  - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.

#### **D. STRUCTURE**

1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
2. In general, structure evaluation and design shall be in conformance with International Building Code requirements.
  - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
  - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
  - a. Repairs shall be made to any deteriorated load-bearing structural elements.
  - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.

#### **E. ENCLOSURE - SHELL**

1. Roofing
  - a. Existing
    - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year Capital Plan and/or subsequent 5-year updates during the 30-year affordability period.
    - ii. Repair existing roofing as required.
    - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable.
  - b. New Roofing
    - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
    - ii. New roofing system components shall be compatible, and include - the nail base, the underlayment layer, ice & water shield self-adhesive membrane flashings, metal flashings and roofing.
      - Strip existing roofing and dispose of properly.
      - Examine exposed existing substrate for structural soundness
      - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
      - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity

- of the roof system shall be assured.
    - c. Ventilation
      - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
- 2. Exterior Finishes
  - a. Cladding
    - i. Wood Siding –
      - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
      - Siding shall be free of gaps and holes and provide continuous weatherproof system.
      - Repair or re-side as necessary to provide a weather resistant enclosure.
      - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - ii. Masonry
      - Masonry bearing walls and veneers shall be restored as necessary
        - 1. Refer to Section XI. C. – Masonry
        - 2. Refer also to Section XI F.2.b – Enclosure Thermal for insulation requirements
        - 3. All work on historic masonry shall be done in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
- 3. Trim – Exterior trim and architectural woodwork.
  - a. Existing wood trim:
    - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
    - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
    - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
  - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
  - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
- 4. Paint
  - a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings.
  - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
    - i. Prepare surfaces properly, removing loose or peeling previous paint.
    - ii. Paint prep shall be done in accordance with applicable lead safe standards. (See also Section XI N.1.b-Special Construction)
  - c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
  - d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers’ specifications.
- 5. Porches, decks and steps
  - i. Existing porches, decks, steps and railings proposed to remain shall be examined

and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.

- ii. Inspect structure for soundness and reconstruct any deteriorated members as required.
- iii. Install new support piers as may be required.
- iv. Patch existing decking with matching materials, or install new durable decking.
- a. Railings
  - v. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
  - vi. Shall meet code requirements for height of protective guards, or have supplemental guards installed.
- b. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
- c. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
- d. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.

**F. ENCLOSURE – THERMAL**

- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
  - a. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- 2. Insulation
  - a. Insulation levels shall conform to the NDED's Minimum Standards for Rehabilitation.
  - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
- 3. Air sealing – comply with the NDED's Minimum Standards for Rehabilitation.
  - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
  - b. Blower door testing shall be performed to verify compliance and successful execution.
- 4. Indoor air quality
  - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in this regard. Treatment of existing stone, concrete or masonry basement walls, and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.
- 5. Ventilation
  - a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
  - b. See Section XI E.1.c for roof assembly ventilation.

**G. ACOUSTICAL TREATMENTS**

- 1. Dwelling units separated acoustically using Chapter 1207 of IBC as a guideline minimum standard.

## H. DOORS

### 1. General

- a. Doors to meet code requirements of NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2
- b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
- c. Be sound and secure.
- d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
- e. Flash properly, and have shim spaces insulated.
- f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - i. Restore as required to provide useful life.
  - ii. Shall be tested and modified as necessary to operate properly.
  - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
  - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

### 2. Apartment doors

- a. Apartment unit entry doors shall be fire rated as required.

### 3. Other doors – Access doors shall meet code requirements for fire rating.

### 4. Door hardware shall operate properly, be secure and shall meet accessibility standards and NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2.

## I. WINDOWS

### 1. Windows shall be of legal egress size when required by code

### 2. Existing windows:

- a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
- c. Install new weather stripping to provide seal against weather elements and air infiltration.
- d. Air seal shim spaces and window weight pockets if possible.
- e. Restore and modify as required to provide useful life.
- f. Shall be tested and modified as necessary to operate smoothly and properly per code.
- g. Historic windows designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
- h. Hardware shall be intact and operational, or be replaced with new hardware as required.

### 3. New Windows:

- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
- b. New windows shall be code compliant, and conform with NDED's Minimum Standards for Rehabilitation. Developers are encouraged to consider upgrading to greater energy efficient windows by providing R-5 windows.
- c. Additionally, new window units should be tested assemblies meeting ASTM standards for

water penetration & air leakage.

- d. All windows shall be installed per manufacturer's installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.

**J. INTERIOR FINISHES**

1. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
2. Per chapter 10 of NFPA 101 (Reference also Chapter 8 of the IBC).
3. Walls & ceilings
  - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State DPS shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
4. Flooring
  - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
  - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
5. Trim - Wood trim and architectural woodwork
  - a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See also Section XI N.1.b-Special Construction).

**K. SPECIALTIES**

1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
3. Signage and identification – building signage shall be provided as appropriate:
  - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant and 911 approved.
4. Exit signage will be provided as required by code and be accessibility compliant as required.
5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire authorities. Locate as directed by authorities.
6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.

**L. EQUIPMENT**

1. All new equipment to be Energy Star® rated.
2. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
3. Equipment shall conform to the NDED's Minimum Standards for Rehabilitation.
4. Kitchen appliances –
  - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
  - b. Existing appliances to be reused shall be in good and serviceable condition.
  - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
  - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
5. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
  - a. Heat pump dryers are encouraged where appropriate and readily available.
  - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
6. Solid waste handling-As appropriate, provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in order to utilize appropriate recycling practices, when feasible.
7. Playground equipment – Provide safe, code-approved new playground equipment if a playground is appropriate.

**M. FURNISHINGS - CASEWORK**

1. Kitchen cabinetry and counters
  - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New cabinetry
    - i. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 "Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities" standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer's Association (KCMA) "Severe Use Specification – 2014," the Architectural Woodwork Institute's (AWI) Woodwork Standards and Cabinet Fabrication Handbook.

- ii. New counters shall be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
  - Shop fabricated as one-piece assembly where possible. Seal field joints.
  - Installed level and securely fastened to cabinetry.
- 2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one-piece integral bowl with integral backsplash.

**N. SPECIAL CONSTRUCTION**

- 1. Hazardous materials and remediation – see NDED’s Minimum Standards for Rehabilitation:
    - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:
      - i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
      - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
    - b. Lead - Health and Safety and Lead Safe Housing:
      - i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance as required under 24 CFR Part 35.
      - ii. Lead-Based Paint
        - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling. Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:
          - Federal Regulations:
          - HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing. More information is available at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshr](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr)
          - EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
          - HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at:  
[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_12347.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf)
          - OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: <https://www.osha.gov>
- Nebraska Regulations Title 178 Nebraska Administrative Code (NAC) Chapter 23:
    - Nebraska law requires all work that disturbs paint in target housing to be completed

using lead safe work practices. Rehabilitation completed in accordance with federal regulations described above will generally fulfill this requirement. Nebraska law includes the implementation of the Residential Lead-based Paint Professions Certification Act and the Uniform Licensing Law, as applicable.

- Nebraska law also requires conformance with Neb. Rev. Stat. §71-2518 lead poisoning prevention program and Neb. Rev. Stat. §§71-6318-71-6331.01 related to the Residential Lead-Based Paint Professions Practice Act.
- Any questions regarding compliance with lead paint regulations should be directed to the Nebraska Department of Health and Human Services, Public Health Division, Lead-Based Paint Program at 402-471-0549 or at:  
<http://dhhs.ne.gov/publichealth/Pages/LeadContact.aspx>

**O. CONVEYANCE SYSTEMS**

1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
  - a. Installed per code NFPA 101, Chapter 9.4
  - b. ASME 17.1 Safety Code for Elevators – 2013
  - c. Nebraska Elevator Safety Rules
2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period, and approved by agencies having jurisdiction.

P. MECHANICAL

1. General:

- a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
- b. Energy efficiency:
  - i. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011).
  - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- c. All mechanical systems shall meet all applicable codes:
  - i. Nebraska State Fire Code Regulations, Title 153 & NFPA 101 Life Safety Code, 2012 Edition
  - ii. International Plumbing Code – 2012 & Nebraska Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
  - iii. Nebraska Energy Codes as they may apply:
    - Nebraska Residential Building Energy Standards (NBES) for buildings of three stories or less; and/or
    - Nebraska Commercial Building Energy Standards (NBES) for buildings of 4 stories or more, and some mixed-use buildings.
  - iv. Plumbing fixtures will be accessibility compliant as required
  - v. State and local Fire & Building Codes, as applicable.

2. Fire protection

- a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by NFPA 101 and NFPA 1, and approved by the Nebraska State Fire Marshal:
  - i. System design to conform to applicable NFPA standard 13 or 13R
  - ii. System calculations and design shall be done by a person holding a NICET Level III certification or a Water-Based Fire Protection System Contractor approved by certification with the Nebraska State Fire Marshal.
  - iii. System installed by State approved persons holding appropriate TQP certificates.
  - iv. Underground water services for sprinkler system shall meet NFPA 24
  - v. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
- b. Where possible, piping for the sprinkler system shall be concealed.

3. Plumbing

- a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
- b. Use water-saving shower heads and faucet aerators as required and applicable.
- c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Nebraska Plumbing Rules.
- d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with P.3.a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
- e. Bath fixtures – When existing bath fixtures are not reused in accordance with P.3.a. above, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in

- each apartment.
    - i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
  - f. Provision for laundry rooms or laundry hook-ups may be made per project’s program requirements.
  - g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
4. Heating
- a. System design:
    - i. Must comply with NDED’s Minimum Rehabilitation Standards.
    - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
  - c. Provide adequate heat in common spaces.
  - d. Install pipe insulation with minimum 1.5” wall thickness
  - e. Minimum equipment efficiencies per applicable Nebraska Department of Energy requirements
  - f. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD) per state and local requirements.
  - g. Control wiring and control strategies per state and local requirements with outdoor temperature reset.
  - h. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
5. Ventilation
- a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
    - i. Fire protection of system ducts per NFPA 101, Chapter 9.2
    - ii. ASHRAE 62.2
    - iii. REBS or CBES
    - iv. NDED Rehabilitation Standards.
  - b. Balanced mechanical ventilation systems are encouraged.
  - c. Ventilation controls shall be per applicable codes
6. Domestic Hot Water:
- a. System shall be designed as required per code.
  - b. Install pipe insulation per code.

**Q. ELECTRICAL**

- 1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
- 2. Project electrical must be installed by a licensed electrician
- 3. Energy efficiency:
  - a. Must comply with NDED’s Minimum Rehabilitation Standards.
- 4. Design shall comply with all the applicable codes:
  - a. Nebraska State Fire & Building Code, Title 153
  - b. NFPA 101, Life Safety Code
  - c. NFPA 70, National Electrical Code, 2011 Edition

- d. NFPA 72, National Fire Alarm and Signaling Code
  - e. NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection
5. In general, the electrical system should be new throughout a building:
    - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
  6. Utility connections shall be installed per the rules and regulations of the electrical utility.
  7. Electrical service and metering:
    - a. The service entrance size shall be calculated to handle the proposed electrical loads.
    - b. Metering and disconnects shall be per code and mounted at approved locations.
  8. Elevator wiring shall conform to the ANSI 17.1 as provided within the Nebraska Elevator Safety Rules.
  9. Electrical distribution system:
    - a. Lighting and receptacle circuits shall be designed per code.
    - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
    - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
  10. Artificial Lighting shall be provided using IBC 1205 as a minimum guideline.
    - a. All lighting shall be in accordance NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
    - b. Developers are encouraged to upgrade to Energy Star® Category.
  11. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
    - a. Energy efficient lighting shall meet the minimum program requirements of NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
  12. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
  13. Fire detection and alarms:
    - a. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
    - b. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
    - c. CO detectors shall be installed per Nebraska State Fire and Building Code and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
    - d. Where required – system annunciation shall be in accordance with NFPA 1.
  14. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
  15. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, State energy code, and the regulations of the governing utility.

## ATTACHMENT B: HTF Rehab Standards: Uniform Physical Condition Standards for Single Family & Multifamily Housing Rehabilitation

**NOTE:** Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

REQUIREMENTS FOR SITE		
Inspected Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Fencing and Gates	Damaged/Falling/Leaning	<i>Fence or gate is missing or damaged to the point it does not function as it should</i>
	Holes	<i>Hole in fence or gate is larger than 6 inches by 6 inches</i>
	Missing Sections	<i>An exterior fence, security fence or gate is missing a section which could threaten safety or security</i>
Grounds	Erosion/Rutting Areas	<i>Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable</i>
	Overgrown/Penetrating Vegetation	<i>Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable</i>
	Ponding/Site Drainage	<i>There is an accumulation of more than 5 inches deep and/or a large section of the grounds-more than 20%-is unusable for it's intended purpose due to poor drainage or ponding</i>
Health & Safety	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
Infestation - Insects		<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
Mailboxes/Project Signs	Mailbox Missing/Damaged	<i>Mailbox cannot be locked or is missing</i>
	Signs Damaged	<i>The project sign is not legible or readable because of deterioration or damage</i>
Parking Lots/Driveways/Roads	Cracks	<i>Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard</i>
	Ponding	<i>3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe</i>

	Potholes/Loose Material	<i>Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling</i>
	Settlement/Heaving	<i>Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles</i>
<b>Play Areas and Equipment</b>	Damaged/Broken Equipment	<i>More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk</i>
	Deteriorated Play Area Surface	<i>More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk</i>
<b>Refuse Disposal</b>	Broken/Damaged Enclosure-Inadequate Outside Storage Space	<i>A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal</i>
<b>Retaining Walls</b>	Damaged/Falling/Leaning	<i>A retaining wall is damaged and does not function as it should or is a safety risk</i>
<b>Storm Drainage</b>	Damaged/Obstructed	<i>The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended</i>
<b>Walkways/Steps</b>	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Cracks/Settlement/Heaving	<i>Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard</i>
	Spalling/Exposed rebar	<i>More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches—that affects traffic ability</i>

<b>REQUIREMENTS FOR BUILDING EXTERIOR</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged Surface (Holes/Paint/Rusting/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Deteriorated/Missing Caulking/Seals	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any exterior door that is missing</i>
<b>Fire Escapes</b>	Blocked Egress/Ladders	<i>Stored items or other barriers restrict or block people from exiting</i>
	Visibly Missing Components	<i>Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing</i>
<b>Foundations</b>	Cracks/Gaps	<i>Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart</i>
	Spalling/Exposed Rebar	<i>Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other</i>

<b>Health and Safety</b>	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>	
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>	
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>	
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>	
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>	
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>	
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>	
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>	
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>	
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>	
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>	
	<b>Lighting</b>	Broken Fixtures/Bulbs	<i>10% or more of the lighting fixtures and bulbs surveyed are broken or missing</i>
	<b>Roofs</b>	Damaged Soffits/Fascia	<i>Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible</i>
Damaged Vents		<i>Vents are missing or so visibly damaged that further roof damage is possible</i>	
Damaged/Clogged Drains		<i>The drain is damaged or partially clogged with debris or the drain no longer functions</i>	
Damaged/Torn Membrane/Missing Ballast		<i>Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration</i>	
Missing/Damaged Components from Downspout/Gutter		<i>Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior</i>	
Missing/Damaged Shingles		<i>Roofing shingles are missing or damaged enough to create a risk of water penetration</i>	
Ponding		<i>Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials</i>	
<b>Walls</b>	Cracks/Gaps	<i>Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration</i>	
	Damaged Chimneys	<i>Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard</i>	
	Missing/Damaged Caulking/Mortar	<i>Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage</i>	
	Missing Pieces/Holes/Spalling	<i>Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage</i>	

	Stained/Peeling/Needs Paint	More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration
<b>Windows</b>	Broken/Missing/Cracked Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane
	Damaged Sills/Frames/Lintels/Trim	Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness
	Damaged/Missing Screens	Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Peeling/Needs Paint	More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration
	Security Bars Prevent Egress	The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks

**REQUIREMENTS FOR BUILDING SYSTEMS**

Inspected Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
<b>Domestic Water</b>	Leaking Central Water Supply	Leaking water from water supply line is observed
	Missing Pressure Relief Valve	There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion on Heater Chimney	The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney
	Water Supply Inoperable	There is no running water in any area of the building where there should be
<b>Electrical System</b>	Blocked Access/Improper Storage	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Missing Breakers/Fuses	Any open and/or exposed breaker port
	Missing Outlet Covers	A cover is missing, which results in exposed visible electrical connections
<b>Elevators</b>	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there
<b>Emergency Power</b>	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function
<b>Fire Protection</b>	Missing Sprinkler Head	Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped
	Missing/Damaged/Expired Extinguishers	There is missing, damaged or expired fire extinguisher an any area of the building where a fire extinguisher is required
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)

	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Elevator - Tripping	<i>An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards – Tripping Hazards	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
HVAC	Boiler/Pump Leaks	<i>Evidence of water or steam leaking in piping or pump packing</i>
	Fuel Supply Leaks	<i>Evidence of any amount of fuel leaking from the supply tank or piping</i>
	General Rust/Corrosion	<i>Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice</i>
	Misaligned Chimney/Ventilation System	<i>A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases</i>
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	<i>The roof exhaust fan unit does not function</i>
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	<i>Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains</i>
	Missing Drain/Cleanout/Manhole Covers	<i>A protective cover is missing</i>

REQUIREMENTS FOR COMMON AREAS		
Inspected Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Basement/Garage/Carport	Baluster/Side Railings - Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
Closet/Utility/Mechanical	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
Community Room	Call for Aid - Inoperable	<i>The system does not function as it should</i>
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long</i>
Kitchen	Ceiling - Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
Lobby	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate --not a sanitary surface to prepare food</i>

Office	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Doors - Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Doors - Missing Door	<i>Any door that is missing that is required for the functional use of the space</i>
	Dryer Vent -Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside</i>
	Electrical - Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency</i>
	Electrical - Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Electrical - Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware</i>
	Electrical - Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	Electrical - Missing Breakers	<i>Any open and/or exposed breaker port</i>
	Electrical - Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
	Floors - Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floors - Floor Covering Damaged	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.</i>
	Floors - Missing Floor/Tiles	<i>More than 5% of the flooring or tile flooring is missing</i>
	Floors - Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Floors - Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Floors - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Graffiti	<i>Any graffiti on any exposed surface greater than 6 inches by 6 inches</i>
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>
	HVAC - General Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
	HVAC - Inoperable	<i>HVAC does not function. It does not provide the heating and cooling as it should. The system does not respond when the controls are engaged</i>
	HVAC - Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	HVAC - Noisy/Vibrating/Leaking	<i>HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>

Lavatory Sink - Damaged/Missing	<i>Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used</i>
Lighting - Missing/Damaged/Inoperable Fixture	<i>More than 10% of the permanent lighting fixtures are missing or damaged so they do not function</i>
Mailbox - Missing/Damaged	<i>The U.S Postal Service mailbox cannot be locked or is missing</i>
Outlets/Switches/Cover Plates - Missing/Broken	<i>Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring</i>
Pedestrian/Wheelchair Ramp	<i>A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers</i>
Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
Range Hood /Exhaust Fans - Excessive Grease/Inoperable	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning</i>
Refrigerator - Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance</i>
Restroom Cabinet - Damaged/Missing	<i>Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
Sink - Missing/Damaged	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
Smoke Detector - Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
Stairs - Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
Stairs - Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
Ventilation/Exhaust System - Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
Walls - Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
Walls - Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
Walls - Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
Walls - Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
Walls - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 foot square</i>
Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
Windows - Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
Windows - Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
Windows - Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>

	Windows - Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Windows - Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Pools and Related Structures</b>	Fencing - Damaged/Not Intact	<i>Any damage that could compromise the integrity of the fence</i>
<b>Trash Collection Areas</b>	Chutes - Damaged/Missing Components	<i>Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other components--have failed</i>
<b>REQUIREMENTS FOR UNIT</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	
<b>Bathroom</b>	Bathroom Cabinets - Damaged/Missing	<i>Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Lavatory Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Plumbing - Clogged Drains, Faucets	<i>Drain or faucet is substantially or completely clogged or has suffered extensive deterioration</i>

	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Ventilation/Exhaust System – Absent/Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
<b>Call-for-Aid (if applicable)</b>	Inoperable	<i>The system does not function as it should</i>
<b>Ceiling</b>	Bulging/Buckling/Leaking	<i>Bulging, buckling or sagging ceiling or problem with alignment</i>
	Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long</i>
	Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or</i>
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or</i>
	Deteriorated/Missing Seals (Entry Only)	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they</i>
	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door</i>
<b>Electrical System</b>	Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building system's</i>
	Burnt Breakers	<i>Carbon residue, melted breakers or arcing scars are evident</i>
	Evidence of Leaks/Corrosion	<i>Any corrosion that affects the condition of the components that carry current or any stains or rust on the</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
<b>Floors</b>	Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floor Covering Damage	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or</i>
	Missing Flooring Tiles	<i>Any flooring or tile flooring that is missing</i>
	Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a</i>
	Emergency Fire Exits - Emergency/Fire Exits	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the</i>

	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health</i>
<b>Hot Water Heater</b>	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Inoperable Unit/Components	<i>Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not</i>
	Leaking Valves/Tanks/Pipes	<i>There is evidence of active water leaks from hot water heater or related components</i>
	Pressure Relief Valve Missing	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
<b>HVAC System</b>	Convection/Radiant Heat System Covers	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated</i>
	Inoperable	<i>HVAC does not function. It does not provide the heating and cooling, as it should. The system does not</i>
	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Noisy/Vibrating/Leaking	<i>The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>
<b>Kitchen</b>	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate --</i>
	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood/Exhaust Fans - Excessive	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out</i>
	Refrigerator-Missing/Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is</i>
	Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink</i>
<b>Laundry Area (Room)</b>	Dryer Vent - Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented</i>
<b>Lighting</b>	Missing/Inoperable Fixture	<i>A permanent light fixture is missing or not functioning, and no other switched light source is functioning in</i>
<b>Outlets/Switches</b>	Missing	<i>An outlet or switch is missing</i>
	Missing/Broken Cover Plates	<i>An outlet or switch has a broken cover plate over a junction box or the cover plate is missing</i>
<b>Patio/Porch/Balcony</b>	Baluster/Side Railings Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
<b>Smoke Detector</b>	Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
<b>Stairs</b>	Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
<b>Walls</b>	Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>

	Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square</i>
<b>Windows</b>	Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or</i>
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather</i>
	Missing/Deteriorated Caulking/Seals/Glazing	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or</i>
	Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>

## ATTACHMENT C: MINIMUM REHABILITATION STANDARDS | SINGLE-FAMILY & MULTI-FAMILY REHABILITATION

[NOTE: The below mentioned rehabilitation standards, as adopted by the Department, may be used for HTF projects, as applicable, and are incorporated by reference into the Nebraska DED HTF Rehabilitation Standards. Any discrepancy between Nebraska's HTF Rehabilitation Standards and the general NDED Rehabilitation Standards, the Nebraska HTF standards will preempt].

### A. MINIMUM STRUCTURAL STANDARDS

1. SIDEWALKS, STAIRS, DRIVEWAYS, PARKING LOTS, ROADS – All sidewalks, driveways, parking lots, roads, stairs and similar areas shall be free of hazardous conditions and in proper repair.

Other Inspectable Items:      Cracks  
   Settlement / Heaving  
   Spalling / Exposed Rebar  
   Potholes / Loose Material  
   Hand-railing-Broken / Missing

2. PREMISE IDENTIFICATION NUMBERS – Address numbers easily visible and legible from the street or road shall be installed. Numbers shall contrast in color with their background and be at least 4 inches high with a minimum stroke width of one half inch.

Other Inspectable Items:      Mailbox – Missing / Damaged  
   Signs / Numbers – Missing / Damaged

3. FOUNDATIONS, EXTERIOR WALLS, ROOFS, SOFFITS AND FASCIA – Every foundation, exterior wall, roof, soffit, and fascia shall be structurally sound, weather-tight, and rodent/insect-proof.

All exterior surface materials shall be protected by lead-free paint or other protective coating in accordance with acceptable standards. The exception is all types of exterior materials acceptable to weatherizing without deterioration.

Other Inspectable Items:      Foundations:  
   Cracks / Gaps  
   Spalling / Exposed Rebar  
  
   Walls:  
   Cracks / Gaps  
   Damaged Chimneys  
   Missing / Damaged Caulking / Mortar  
   Missing Pieces / Holes / Spalling  
   Stained / Peeling / Needs Paint  
  
   Roofs:  
   Damaged Soffits / Fascia



Damaged Surface-Holes / Paint / Rusting /Glass  
Missing Door

Windows:

Cracked / Broken / Missing Panes  
Damaged / Rotting Window Sill  
Missing / Deteriorated Caulking / Seals / Glazing Compound  
Inoperable / Not Lockable  
Peeling / Needs Paint

5. GRADING AND RAINWATER DRAINAGE FROM ROOF – All rainwater shall be drained and conveyed from every roof so as not to cause dampness within the dwelling. All rainwater drainage devices, such as gutters, downspouts, leaders and splash blocks shall be in safe working order. Ground areas around the habitable unit shall be sloped or drain away from foundation walls to prevent standing water.

Other Inspectable Items:      Grounds:

Erosion / Rutting Areas  
Overgrown / Penetrating Vegetation  
Ponding / Site Drainage (affecting unit)

Storm Drainage:

Damaged / Obstructed

6. WINDOWS, EXTERIOR DOORS AND BASEMENT OR CELLAR HATCHWAYS – Every front, rear, side and basement or cellar door shall be no less than 2'4" in width and no less than 6' 6" in height. In existing structures, if replacement to meet these requirements would be impossible or cost-prohibitive, said requirement may be waived by the grantee.

Every window, exterior door and basement or cellar hatchway shall be substantially tight and rodent-proof.

In addition, the following requirements shall be met:

- a. All exterior doors to the outside or to a common public hall shall be equipped with adequate security locks. Means of egress door locks shall be easily opened from the egress side without a key or special knowledge. All windows accessible from ground level without the aid of mechanical devices shall have a security device. Emergency escape windows shall be openable from the inside without the use of a key, code or tool;
- b. Every window sash shall be fully equipped with windowpane glazing materials free of cracks or holes, and all panes shall be secured with retaining devices or an adequate amount of putty. Said putty shall not be cracked, broken or missing;
- c. Every window sash shall be in good condition and fit tightly within its frame;
- d. Every window, other than a fixed window, shall be easily opened and held in position by window hardware;
- e. Every exterior and interior door, door hinge, door latch, and/or lock shall be in good working condition;

- f. Every exterior and interior door, when closed, shall fit well within its frame;
- g. Every window, door and frame shall be constructed in relation to the adjacent wall construction, to exclude rain and wind as completely as possible from entering the dwelling or structure;

Other Inspectable Items:

Doors:

Damaged Frames / Threshold / Lintels / Trim  
 Damaged Hardware / Locks  
 Damaged / Missing Screen / Storm / Security Door  
 Damaged Surface – Holes / Paint / Rusting / Glass  
 Deteriorated / Missing Caulking / Seals (Entry Only)  
 Missing Door

- 7. STAIRWAYS, DECKS, BALCONIES AND PORCHES – Every interior and exterior stairway, porch, deck, balcony and appurtenance thereto, including hand and guard rails, shall be constructed to be sound and safe to use and capable of supporting the load that normal use may place upon it.

Other Inspectable Items:

Stairs:

Broken / Damaged / Missing Steps  
 Broken / Missing Hand Railing

Patio, Porch, Deck, Balcony:

Baluster / Side Railings Damaged

- 8. SUPPLIED PLUMBING FIXTURES – Every plumbing fixture and water and waste pipe shall be properly installed in safe, sanitary working condition, free from leaks, defects, and obstructions.
- 9. BATHROOM, TOILET ROOM, KITCHEN AND UTILITY ROOM FLOORS – Every bathroom, toilet room, kitchen, and utility room floor surface shall be constructed to be impervious to water and to permit such floors to be easily kept clean and sanitary.

Indoor-outdoor type carpeting, when properly installed, shall be allowed in bathrooms, toilet rooms, kitchens and utility rooms except when in conflict with required interim controls or standard treatments required to comply with the lead-based paint regulation.

- 10. CHIMNEYS AND SMOKE PIPES – Every chimney and smoke pipe shall be adequately supported, structurally sound, and clean.
- 11. TREES AND VEGETATION – Trees and vegetation endangering the unit and/or its occupants shall be eliminated.
- 12. INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS – All rehabilitation work must meet or exceed the requirements of the International Residential Code as promulgated by the International Code Council in its current edition or as adopted in ordinance by the local jurisdiction.
  - a. Work must comply with the permitting and inspection requirements of the local jurisdiction.

- b. In the absence of local permitting and inspection services, the local recipient program shall engage qualified inspectors and document code inspection and compliance.

13. LEAD-BASED PAINT – As required under 24 CFR Part 35, the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, all assisted dwelling units constructed before January 1, 1978, will be evaluated for lead-based paint hazards or presumed to have lead-based paint present throughout the unit when paint is disturbed.

- a. Evaluation will be done by a qualified, certified or licensed person as required under the regulation.
- b. All lead-based paint hazards will be identified and reduced or eliminated through paint stabilization, interim controls or abatement with work being done by supervised, trained, qualified, certified or licensed persons as required under the regulation.
- c. Safe work practices will be followed at all times.
- d. Occupants shall be protected or temporarily relocated as required by the regulation. With some exceptions, as listed at 24 CFR 35.1345, occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead hazards.
- e. The dwelling unit and worksite shall be secured. The worksite shall be prepared and warning signs shall be posted as required by the regulation.
- f. Clearance examinations will be performed by qualified personnel and final clearance shall be achieved as required by the regulations.

14. ENERGY CONSERVATION –

- a. Equipment, appliances, windows, doors and appurtenances replaced during rehabilitation shall be replaced with Energy Star qualified products.
- b. If feasible, attics should be insulated to R38 and walls to a minimum of R11.
- c. Replacement heating and/or cooling systems shall be properly sized as evidenced by completion of ACCA/ANSI Manual J® or an equivalent sizing calculation tool.
- d. All accessible air ducts shall be tightly sealed.
- e. Heating or cooling supply running through unconditioned space should be avoided or rerouted, but when present and accessible, shall be insulated.

15. INDOOR AIR QUALITY – The scope and conduct of rehabilitation of each dwelling unit shall take into consideration the improvement and maintenance of satisfactory and healthy air quality within the unit.

- a. A carbon monoxide detector installed per manufacturers' recommendations shall be present in each unit, and receive primary power from the building wiring or battery. If the house is all electric a carbon monoxide detector is not required.

- b. Devices and appurtenances identified to contain mercury shall be removed or replaced excluding CFL bulbs.
- c. Materials and methods used in carrying out rehabilitation, shall to the extent feasible, minimize and prevent dust, out gassing, volatile organic compounds and other contaminants within the dwelling unit.

Other Inspectable Items: Health and Safety:

- Air Quality - Mold and/or Mildew Observed
- Sewer Odor Detected
- Propane/Natural Gas/Methane Gas Detected

16. **UNIVERSAL DESIGN AND ACCESSIBILITY** – Rehabilitation of each unit shall be carried out with consideration for the needs of its occupants and to the maximum practical extent in accordance with the principles of universal design. For guidance in implementing universal design features, visit [www.design.ncsu.edu/cud](http://www.design.ncsu.edu/cud).
- a. The housing must meet the accessibility requirement of 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. “Covered multi-family dwelling,” as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

**B. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES**

- 1. **WATER SUPPLY** – All fixture water supplies shall be properly connected to public or private water system. All water supply inlet orifices (mouth of an opening from any pipe or faucet supplying water) shall have an air gap (The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the floor level rim of the receptacle.) or shall be protected by vacuum breakers (also known as backflow preventers).
- 2. **KITCHENS** – Every dwelling shall have a kitchen room or kitchenette equipped with a kitchen sink, properly connected to both hot and cold running water lines, under pressure, and in working order.

Other Inspectable Items:

- Cabinets – Missing / Damaged
- Countertops - Missing / Damaged
- Dishwasher / Garbage Disposal – Leaking / Inoperable
- Plumbing - Clogged Drains
- Plumbing - Leaking Faucet / Pipes
- Range Hood / Exhaust Fans - Excessive Grease / Inoperable
- Range / Stove / Refrigerator- Missing / Damaged / Inoperable
- Sink - Damaged / Missing

- 3. **TOILET ROOM REQUIRED** - Every dwelling unit, except as otherwise permitted for rooming houses, shall contain a room that is equipped with a flush water closet and properly installed lavatory. Said lavatory shall be properly connected to both hot and cold running water, under pressure, and shall be in working order. Fixtures shall be properly installed, free of hazards, leaks and defects, and in functional and sanitary order.

Said flush water closet shall be properly connected to the water supply, under pressure, and shall be in working order.

Other Inspectable Items: Bathroom:

- Bathroom Cabinets - Damaged / Missing
- Lavatory Sink - Damaged / Missing
- Plumbing - Clogged Drains
  - Leaking Faucet / Pipes
- Water Closet / Toilet - Damaged / Clogged / Missing
- Ventilation / Exhaust System – Absent / Inoperable
- Call-for-Aid Inoperable (where applicable)

4. PRIVACY IN ROOM CONTAINING TOILET AND BATH – Every toilet and every bath shall be contained in a room or within separate rooms which affords privacy to a person within said room or rooms. Said rooms shall not be the only passageway to the exterior.

Toilets and bathrooms shall have doors with a privacy type lock and such doors, locks and hardware shall be in working order.

5. SHARED TOILET FACILITIES – Shared toilet rooms shall be equipped with a flush water closet and lavatory basin, and shall be connected as provided in Section 2 above. In rooming house type structures, at least 1 toilet and 1 lavatory basin, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof residing within a rooming house, including members of the operator’s family whenever they share the use of said facilities, provided that in rooming houses where rooms are let only to males, flush urinals may be substituted for not more than ½ of the required number of toilets.
6. BATH REQUIRED – Every dwelling unit shall contain a bathtub and/or shower. Fixtures shall be properly installed, free of hazards, leaks and defects, and shall be in functional and sanitary order.

Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be so located as to make possible their submergence in any contaminated or polluted liquid or substance.

Said bathtub and/or shower may be in the same room as the flush water closet and lavatory, or said bathtub and/or shower may be in a separate room. In all cases, these facilities shall be properly connected to both hot and cold running water lines, under pressure, and shall be in working order.

Other Inspectable Items: Shower / Tub - Damaged/Missing

7. LOCATION OF COMMUNAL TOILETS AND BATHS – Every communal bath required to be provided in accordance with other provisions, shall be located within a room or rooms accessible to the occupants of each dwelling unit sharing such facilities, without going through a dwelling unit of another occupant and without going outside of the dwelling.

In rooming houses, said room or rooms shall be located on the same floor of the dwelling as, or on the floor immediately above or below, the dwelling unit whose occupants share the use of such facilities.

8. HOT AND COLD WATER LINES TO BATH AND KITCHEN – Every dwelling shall have supplied water-heating facilities which are properly installed; in working condition and free of leaks; properly connected to hot water lines required; and are capable of supplying hot or tempered water at not less than 110°F to be drawn for every bath, as well as general usage.

Hot water storage associated with water heating facilities shall not be less than the following minimum capacities:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| a. 1 dwelling unit          | 30 gallons                            |
| b. 2 dwelling units         | 40 gallons                            |
| c. 3 or more dwelling units | 50 gallons or more and rooming houses |

Sizes and/or number of water heaters are to be based upon the number of units served. No water heaters shall be allowed in bathrooms or bedrooms. All hot water heaters shall be properly vented and sealed and equipped with a pressure relief valve and drip leg a maximum of 6" above the floor.

The local rehabilitation division and/or building inspection division may adjust the above-required capacities upward or downward based on the type and recovery time of the hot water system.

Other Inspectable Items:      Hot Water Heater:  
Misaligned Chimney / Ventilation System  
Inoperable Unit / Components  
Leaking Valves / Tanks / Pipes  
Pressure Relief Valve Missing  
Rust / Corrosion

9. CONNECTION OF SANITARY FACILITIES TO SEWAGE SYSTEM – Every kitchen sink, toilet, lavatory basin and bathtub/shower shall be in working condition and properly connected to an approved public or private sewage system.

All sewers and vents shall function properly and be free of leaks and blockages.

Other Inspectable Items:      Sanitary System:  
Broken / Leaking / Clogged Pipes or Drains  
Missing Drain / Cleanout / Manhole Covers

10. EXITS – Every exit from every dwelling and/or dwelling unit shall comply with the following requirements:
- It shall be functional;
  - It shall be unobstructed;
  - All stairways and steps of 4 or more risers shall have at least 1 handrail, and all stairways and steps that are 5 feet or more in width or open on both sides shall have a handrail on each side where possible;
  - Every dwelling unit shall have 2 independent ways of egress;

- e. All handrails shall be not less than 30" or more than 42" vertically above the nose of the stair treads and not less than 36" above the stairway platform;
  - f. All balconies and platforms that are 30" or more above grade, shall have protective guards not less than 30" in height above the balcony or platform level;
  - g. All multiple dwellings (1 & 2 family residences exempted) shall have a second exit stairway or approved fire escape available to all occupants of units located on second or higher stories;
  - h. All stairs and steps shall have a riser height of no more than 8" and a tread depth of no less than 9". This requirement may be waived on the programmatic level if in an existing structure, it would be impossible or cost prohibitive to meet this requirement. In such cases, new stairs could be put in having the same rise and run as the old;
  - i. In basement units where one means of an exit shall be a window, it shall comply with the International Residential Code, Section 310 Emergency Escape and Rescue Openings.
11. **FIRE PROTECTION AND SMOKE ALARMS** – All fire protection systems and devices shall be in operable condition. When a dwelling is occupied by any hearing impaired person, smoke alarms shall have an alarm system designed for hearing impaired persons in accordance with NFPA 74 (or successor standards).

Smoke alarms shall be installed:

- On each story, including basement and cellar (Alarms are not required in unfinished attics and crawl spaces)
- Outside of each bedroom
- In each bedroom

Other Inspectable Items:

Fire Protection:

Missing Sprinkler Head (where applicable)

Missing / Damaged / Expired Extinguishers (where applicable)

### **C. MINIMUM STANDARDS FOR LIGHT, VENTILATION AND HEATING**

1. **REQUIRED WINDOW AREA** – Every habitable room, provided such rooms are adequately lighted, shall have at least one open air space. The minimum total window area, measured between stops, for every habitable room shall be as follows:
- a. 1/12 of the floor area if two or more separate windows exist or
  - b. 1/10 of the floor area if only one window exists;
  - c. A minimum of 12 square feet of window area is required in habitable rooms other than kitchens;
  - d. A kitchen may pass without a window area, provided there is a mechanical means of ventilation in working order.

Whenever the only window in a room is a skylight type window, the total window area of such skylight shall be equal to at least 15% of the total floor area of such room. Skylight type windows, if less than 15% of the total floor area shall be increased to 15% of the total floor area, unless another window is to be installed to provide adequate light and ventilation.

2. ADEQUATE VENTILATION REQUIRED – Every habitable room shall have at least one window or skylight which can easily be opened, or other such device as will adequately ventilate the room.
3. LIGHT AND VENTILATION REQUIREMENTS FOR BATHROOMS, TOILET ROOMS AND KITCHENS – Every bathroom, toilet room, and kitchen shall comply with the light and ventilation requirements for habitable rooms contained above, except that no window shall be required in adequately ventilated bathrooms, toilet rooms, or kitchens equipped with a ventilation system that filters or exhausts to the exterior.  
Other Inspectable Items: Ventilation / Exhaust System – Inoperable (if applicable)
4. ALTERNATIVE LIGHT AND VENTILATION – Artificial light or mechanical ventilation complying with the International Building Code shall be permitted.
5. CLOTHES DRYER VENTING – Clothes dryer exhaust vent shall be a single purpose vent in compliance with the manufacturer’s instructions and vent to the exterior.
6. ELECTRIC OUTLETS AND SERVICE REQUIRED – Where there is suitable electricity available from supply lines no more than 300 feet away from a dwelling, including all existing dwellings now supplied with electrical services, every habitable room within such dwelling shall contain a minimum of two separate and remote wall type electric convenience outlets. Habitable rooms measuring more than 120 square feet shall contain a minimum of three separate and remote wall type electric convenience outlets. Temporary wiring, extension, or zip cords shall not be used as permanent wiring.

Every habitable room shall have at least one ceiling or wall type electric light fixture, controlled by a wall switch, or a wall type grounded electric convenience outlet controlled by a remote switch. Every toilet room, bathroom, laundry room, furnace room, and hallway (hallway where applicable) shall contain at least 1 supplied ceiling or wall type electric light fixture, controlled by a wall switch, and at least one wall type grounded electric convenience outlet. Convenience outlets used in bathrooms shall be the GFI type.

Each individual kitchen based on its size and layout shall be wired to meet the requirements of the National Electric Code (N.E.C.).

Receptacle convenience outlets in or on open porches, breezeways or garages shall be of the GFI type with a weather proof receptacle box.

All wall and/or ceiling type lighting fixtures shall be controlled by a wall switch, except porcelain type fixtures used in cellars and/or attics, which may be controlled with a proper pull chain.

All electrical equipment, appliances and wiring shall be properly installed and in safe condition.

All broken and/or missing switch and receptacle plates shall be replaced.

Minimum electrical service for each dwelling and/or dwelling unit’s circuit breaker box shall be by a three wire 120/240 volt single phase service rated no less than 100 amps, or as adjusted for size and usage of equipment and appliances in accordance with the ICC Electrical Code and approved, in writing, by the electrical inspector of the local jurisdiction or program.

Other Inspectable Items: Electrical System:  
Blocked Access to Electrical Panel / Improper Storage  
Burnt Breakers  
Evidence of Leaks / Corrosion



Misaligned Chimney / Ventilation System  
Noisy / Vibrating / Leaking  
Rust / Corrosion  
Boiler / Pump Leaks (where applicable)  
Fuel Supply Leaks (where applicable)  
Misaligned Chimney / Ventilation System  
Convection / Radiant Heat System Covers – Missing / Damaged

9. LIGHTING OF PUBLIC HALLS AND STAIRWAYS –

- a. Public halls and stairways in every dwelling containing 2 to 4 dwelling units shall be provided with convenient wall-mounted light switches controlling an adequate lighting system that will provide at least 2 foot candles of illumination on all parts thereof and be turned on when needed. An emergency circuit is not required for this lighting;
- b. Public halls and stairways in every dwelling containing 5 or more dwelling units shall be lighted at all times with an artificial lighting system. Said system shall provide at least 2 foot candles of illumination on all parts thereof at all times by means of properly located electric light fixtures, provided that such artificial lighting may be omitted from sunrise to sunset where an adequate natural lighting system is provided;
- c. Wherever the occupancy of the building exceeds 100 persons, the artificial lighting system as required herein, shall be on an emergency circuit;
- d. All basements and cellars shall be provided with a lighting system that permits safe occupancy and use of the space and contained equipment as intended, and which may be turned on when needed;
- e. The required intensity of illumination shall apply to both natural and artificial lighting.

10. SCREENS REQUIRED – For protection against flies, mosquitoes and other insects, every door opening directly from a dwelling unit or rooming unit, to the outdoor space where feasible, shall be supplied with a screen covering at least 50% of the window area of the door, and said door shall be equipped with a self-closing device.

Every window or other opening to outdoor space used or intended to be used for ventilation shall likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens shall be no less than 16 mesh per inch, properly installed, and repaired when necessary to prevent the entrance of flies, mosquitoes and other insects.

Half-screens on windows may be allowed, provided they are properly installed and are bug and insect proof.

11. SCREENS FOR BASEMENT AND CELLAR WINDOWS – Every dwelling unit having operable basement or cellar windows shall be screened to prevent the entry of insects and rodents.

12. EXISTING HEATING TO DWELLINGS OR PARTS THEREOF – Every dwelling owner or operator, who rents, leases or lets for human habitation any unit contained within such dwelling, on terms either expressed or implied, shall supply or furnish heat to the occupants.

***Whenever a dwelling is heated by means of a furnace, boiler or other heating apparatus under the control of the owner or operator, in the absence of a written contract or agreement to the contrary, said owner and/or operator shall be deemed to have contracted, undertaken, or bound to furnish heat in accordance with the provisions of this section to every unit that contains radiators, furnace heat duct outlets, or other heating apparatus outlets, and to every communal bathroom and communal toilet room located within such unit.***

- a. Every central heating unit, space heater, water heater and cooking appliance shall be located and installed in a safe working manner to protect against involvement of egress facilities or egress routes in the event of uncontrolled fires in the structure;
- b. Every fuel burning heating unit or water heater shall be effectively vented in a safe manner to a chimney or duct leading to the exterior of the building. The chimney duct and vents shall be designed to assure proper draft, shall be adequately supported, and shall be clean;
- c. No fuel-burning furnace shall be located in any sleeping room or bathroom unless provided with adequate ducting for air supply from the exterior, and the combustion chamber for such heating unit is sealed from the room in an airtight manner. Water heaters are prohibited in bathrooms and sleeping rooms.
- d. Every steam or hot water boiler and every water heater shall be protected against overheating by appropriate temperature and pressure limit controls;
- e. Every gaseous or liquid fuel burning heating unit and water heater shall be equipped with electronic ignition or with a pilot light and an automatic control to interrupt the flow of fuel to the unit in the event of failure of the ignition device. All such heating units with plenum have a limit control to prevent overheating.

#### **D. MINIMUM SPACE, USE AND LOCATION REQUIREMENTS**

1. CEILING HEIGHT – Wherever possible, no habitable room in a dwelling or dwelling unit shall have a ceiling height of less than 7' 6". At least 1/2 of the floor area of every habitable room located above the first floor shall have a ceiling height of 7' 6", and the floor area of that part of any room where the ceiling height is less than 5' shall be considered as part of the floor area in computing the total floor area of the room for the purpose of determining maximum floor area.
2. ROOM WIDTH – All rooms, except kitchens and/or kitchenettes and baths, shall have a minimum width of 7'. Kitchens shall have a clear passage dimension of no less than 3' between walls, appliances and cabinets.
3. CELLAR SPACE NOT HABITABLE – No cellar space shall be converted or rehabilitated as habitable room or dwelling unit.
4. REQUIREMENTS FOR HABITABLE BASEMENT SPACE – No basement space shall be used as a habitable room or Dwelling unit unless all of the following requirements are met:
  - a. Such required minimum window area is located entirely above the grade of ground adjoining such window area, or an adequate window well of sufficient size as to allow escape of inhabitants residing within such basement apartment, has been constructed;
  - b. Such basement dwelling unit or rooming unit shall be entirely sealed off from the central heating plant with a one hour fire separation. To assist grantees in evaluating existing building components, HUD has published the "Guideline on Fire Ratings of Archaic Materials and Assemblies", February 2000, available at <http://www.huduser.org/publications/destech/fire.html>;
  - c. Such basement dwelling unit or rooming unit provides two means of exit, with at least one means of opening directly to the outside;
5. MINIMUM STORAGE AREAS – Each dwelling unit shall have at least one closet with a minimum of 6 square feet of floor area and a minimum height of 6', located within the dwelling unit. Dwelling units with 2 or more



4. WATER SUPPLY - CONNECT TO WATER MAIN – Every owner of a dwelling situated on property that abuts any street or alley in which a water main is laid, shall be connected to such main to provide water service.

Other Inspectable Items: Domestic Water:  
Leaking Central Water Supply  
Missing Pressure Relief Valve  
Rust / Corrosion or Heater Chimney  
Water Supply Inoperable

5. ABANDONED WELLS AND CISTERNS – Every owner of a dwelling that contains an abandoned well or cistern on the premises shall permanently seal or fill it in a proper manner.

6. INFESTATION AND EXTERMINATION – Structures shall be free from rodent and insect infestation.

Other Inspectable Items: Health and Safety:  
Infestation – Insects / Rats / Mice / Vermin

7. REQUIREMENTS FOR COMMON AREAS IN MULTI-FAMILY HOUSING – Common Areas within multi-family housing shall also be inspected and held to the same structural and rehabilitation standards contained here within.

Other Inspectable Items: Basement / Garage / Carport:  
Baluster / Side Railings – Damaged / Missing

Closet / Utility / Mechanical:  
Cabinets – Missing / Damaged

Community Room:  
Call-for-Aid – Inoperable

Kitchen / Laundry Room / Halls / Corridors / Stairs:  
Ceiling – Holes / Missing Tiles / Panels / Cracks  
Peeling / Needs Paint  
Water Stains / Water Damage / Mold / Mildew  
Laundry Dryer Vent – Missing / Damaged / Inoperable

Lobby:  
Countertops – Missing / Damaged

Office:  
Dishwasher / Garbage Disposal – Inoperable

Other Community Spaces / Restrooms / Patio / Porch / Balcony:  
Doors – Damaged Frames / Threshold / Lintels / Trim  
Damaged Hardware / Locks  
Damaged Surface (Holes / Paint / Rust / Glass)

Storage:  
Doors – Door, Screen, Storm-Security Door – Missing / Damaged  
Deteriorated / Missing Seals (Entry Only)  
Electrical – Blocked Access to Electrical Panel  
Burnt Breakers  
Evidence of Leaks / Corrosion

- Frayed Wiring
- Missing Breakers / Covers
- Hazards – Exposed Wires / Open Panels
- Water Leaks on/near Electrical Equipment
- Floors and Walls – Bulging / Buckling
  - Floor Covering Damaged / Missing Floor-Tiles
  - Peeling / Needs Paint
  - Rot / Deteriorated Subfloor
  - Water Stains / Water Damage/Mold/Mildew
  - Trim – Damaged / Missing

- GFI – Inoperable
- Graffiti
- HVAC – Convection/Radiant Heat System Covers Missing/Damaged
  - General Rust / Corrosion
  - Inoperable
  - Misaligned Chimney / Ventilation System
  - Noisy / Vibrating / Leaking
- Lavatory Sink – Damaged / Missing
- Lighting – Missing / Damaged / Inoperable Fixture
- Mailbox – Missing / Damaged
- Outlets / Switches / Cover Plates – Missing / Broken
- Pedestrian / Wheelchair Ramp
- Plumbing – Clogged Drains
  - Leaking Faucet / Pipes
- Range Hood / Exhaust Fans – Excessive Grease / Inoperable
- Range / Stove / Refrigerator – Missing / Damaged / Inoperable
- Restroom Cabinet / Sink / Shower-Tub – Damaged / Missing
- Smoke Detector – Missing / Inoperable
- Stairs – Missing / Damaged/ Broken Steps-Handrailing
- Ventilation / Exhaust System – Inoperable
- Water Closet / Toilet – Damaged / Clogged / Missing
- Windows – Cracked / Broken / Missing Panes
  - Damaged Window Sill
  - Inoperable / Not Lockable
  - Missing / Deteriorated Caulking / Seals / Glazing

Health and Safety:

- Air Quality – Mold / Mildew Observed
  - Propane / Natural Gas / Methane Gas Detected
  - Sewer Odor Detected
- Emergency / Fire Exits – Blocked / Unusable
  - Missing Exit Signs
- Flammable / Combustible Materials – Improperly Stored
- Garbage and Debris – Indoors / Outdoors
- Hazards – Other / Sharp Edges / Tripping
- Infestation – Insects / Rats / Mice / Vermin
- Pools and Related Structures – Fencing – Damaged / Not Intact
- Trash Collection Areas – Chutes – Damaged / Missing Components

## F. FURTHER GUIDANCE TO MINIMUM REHABILITATION STANDARDS

1. WORK WRITE-UP, COST ESTIMATES, CONSTRUCTION CONTRACTS AND CONSTRUCTION DOCUMENTS – Construction contracts, work write-ups, and construction documents must be in sufficient detail to establish the basis for uniform inspections of the housing to determine compliance with the minimum rehabilitation standards.
2. INSPECTIONS – Initial, progress and final inspections are required to be completed along with appropriate documentation of such in each property / project file. Progress and final inspections must be conducted to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.
3. HEALTH AND SAFETY – In housing that is occupied, any life-threatening deficiencies that are identified must be addressed immediately.
4. MAJOR SYSTEMS – Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the remaining useful life of these systems must be estimated based on age and condition, upon project completion of each major system. (For multi-family rental housing projects of 26 units or more, the remaining useful life of the major systems must be determined through a capital needs assessment of the project.) For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, there must be a replacement reserve established and monthly payments made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, each of the major systems must have a remaining useful life for a minimum of 5 years, upon project completion, or the major systems must be rehabilitated or replaced as part of the rehabilitation work.
5. CAPITAL NEEDS ASSESSMENT – For multi-family rental housing projects of 26 units or more, a capital needs assessment of the project is required to determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project.
6. DISASTER MITIGATION – Where relevant, it will be required that the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements, or such other requirements as HUD may establish.
7. BROADBAND – HUD includes internet connectivity in the regulatory definition of “utility connections.” All National Housing Trust Fund-assisted housing must meet the minimum property standards upon completion, so efforts to provide broadband internet access, where applicable, must be undertaken as part of the project.