

STATE OF NEBRASKA

2017

Annual Action Plan

PROPOSED

DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

Housing, Community Development, & Economic Development Programs



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Homeless Services & HOPWA Services Programs



Effective July 1, 2017 - June 30, 2018

Table of Contents
2017 Annual Action Plan

<u>Section</u>	<u>Page#</u>
Executive Summary	AP-05—3
Lead & Responsible Agencies	PR-05—8
Consultation	AP-10—10
Participation	AP-12—19
Expected Resources	AP-15—20
Annual Goals and Objectives	AP-20—29
Allocation Priorities	AP-25—33
Methods of Distribution	AP-30—38
Projects	AP-35—76
Project Summary	AP-38—77
Section 108 Loan Guarantee	AP-40—78
Community Revitalization Strategies	AP-45—79
Geographic Distribution	AP-50—80
Affordable Housing	AP-55—82
Public Housing	AP-60—84
Homeless and Other Special Needs Activities	AP-65—85
HOPWA Goals	AP-70—89
Barriers to Affordable Housing	AP-75—90
Other Actions	AP-85—95
Program Specific Requirements	AP-90—98
Appendix	See below

Executive Summary

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

1. Introduction

The 2017 Annual Action Plan (AAP) is the third annual plan and update to the *Nebraska Housing and Community Development Program's Consolidated Plan* (Consolidated Plan), a five-year plan (2015-2019) addressing the State's housing and community development needs. Federal resources provided by HUD that are discussed within the Plan include: Community Development Block Grant (CDBG); the HOME Investment Partnerships Program (HOME); National Housing Trust Fund (HTF); Emergency Solutions Grant (ESG) Program; and Housing Opportunities for Persons with AIDS Program (HOPWA).

HUD Standard Form 424 (Application for Federal Assistance) is submitted as part of the plan to request federal funding for the State of Nebraska.

In addition, where appropriate, information on two State Programs will also be discussed within the Consolidated Plan that includes the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF). The CDBG, HOME, HTF, and NAHTF Programs are administered through the State of Nebraska, Department of Economic Development (DED) and DED is the lead agency responsible for coordinating the development of the Consolidated Plan. The ESG, HOPWA, and HSATF Programs are administered through the State of Nebraska, Department of Health and Human Services (DHHS) and DHHS works in conjunction with DED in developing the Consolidated Plan. ESG and HSATF resources are utilized by DHHS and administered under the Nebraska Homeless Assistance Program.

The Nebraska Homeless Assistance Program is a grant program that is comprised of the Nebraska's Homeless Shelter Assistance Trust Fund (HSATF) and the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG). The Department of Housing and Urban Development's Emergency Solutions Grant program funds are matched with HSATF. The HSATF is state funding that is based on a twenty-five cent set-aside on each \$1,000.00 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales. The Nebraska Department of Health and Human Services funds all areas of the state with the Homeless Shelter Assistance Trust Fund dollars. The ESG funds received by HUD for the state exclude the entitlement cities Omaha and Lincoln; these cities are responsible for distribution and administration of their own ESG award. Allocations are based on a formula. The formula is determined using a minimum funding amount for all regions, population base, poverty data, and pro-rata percent. The formal and funding process emphasizes equitable distribution as well as quality projects and programs.

The Nebraska 2017 Annual Action Plan affirms the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended, which relate to major commitments and priorities of DED and DHHS. This complex set of goals can be compressed into three main areas that include:

Provide Decent Housing

- Assist homeless persons to obtain appropriate housing

- Assist those threatened with homelessness
- Retain affordable housing stock
- Make available permanent housing that is affordable to low-income persons without discrimination
- Increase the supply of supportive housing for persons with special needs

Provide a Suitable Living Environment

- Improve safety and livability of neighborhoods
- Increase access to quality facilities and services
- Reduce isolation of income groups within an area through decentralization of housing opportunities and revitalization of deteriorating neighborhoods
- Restore and preserve properties of special value for historic, architectural, or aesthetic reasons
- Conserve energy resources

Expand Economic Opportunity

- Create and retain jobs accessible to low income persons
- Empower low income persons to achieve self-sufficiency to reduce generations of poverty in federally assisted public housing

The State views this mandate as an opportunity to extend and strengthen partnerships among organizations in the public, private, and nonprofit sectors. Through this collaboration, DED and DHHS hope to streamline approaches to meet these goals and effectively use limited resources. Nebraska anticipates receiving the following amounts in FY 2017.

CDBG: \$10,400,000
 HOME: \$3,000,000
 ESG: \$941,814
 HOPWA: \$370,412
 HTF: \$3,000,000

In addition, the State anticipates receiving the following amounts for two State-funded programs which supplement and are utilized as match for the federal HOME and ESG programs. Below are the anticipated amounts for FY 2017.

NAHTF: \$9,600,000
 HSATF: \$3,000,000

Covering all areas of the State, except metropolitan Omaha, Lincoln, Bellevue, and Grand Island the Annual Action Plan identifies a one-year action plan for program implementation. As CDBG

Entitlement Areas, Omaha, Lincoln, Bellevue, and Grand Island receive funds for these programs directly, and are required to prepare and submit their own Annual Action Plans.

2. Summarize the objectives and outcomes identified in the Plan

The State of Nebraska identified five priorities, which summarize the goals of the five-year Consolidated Plan.

The main priorities and objectives within the 2017 AAP include:

- Housing Priority Need
- Community Development Priority Need
- Economic Development Priority Need
- Homeless Services Priority Need
- HOPWA Services Priority Need

Through the development of the Consolidated Plan it was determined that there were three overarching objectives guiding the proposed activities that include:

- Provide Decent Housing
- Provide a Suitable Living Environment
- Expand Economic Opportunity

Outcomes were developed to show how programs and activities would benefit a community or the persons within a community served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG, HOME, HTF, ESG, or HOPWA Programs are:

- Improved availability/accessibility
- Improved affordability
- Improved sustainability

The future activities funded within the next five years will support at least one objective and one outcome as described above. The statutes for CDBG, HOME, HTF, ESG, and HOPWA covered by the Consolidated Plan Rule include a number of basic goals discussed in the Housing and Community Development Act, as amended, and the National Affordable Housing Act, as amended. The framework for realizing these objectives and outcomes will be associated with the specific priorities, as noted above.

Nebraska Performance Measures are established to monitor the State's progress on outcomes and objectives for each Program, including CDBG, HOME, HTF, ESG, and HOPWA. While each Program has successfully provided services in the past, these new measures should enhance the State's ability to quantify the results for those activities and to convey a complete picture of housing and community development activities.

In regard to the Emergency Solutions Grant (ESG) Program, the purpose of the Nebraska Homeless Assistance Program (NHAP) is to provide an overall "Continuum of Care" approach to address the needs of people who are homeless and near homeless in Nebraska by: Assisting in the alleviation of homelessness; providing temporary and/or permanent housing for persons who are homeless; and

encouraging the development of projects that link housing assistance with efforts to promote self-sufficiency.

The intent of the DHHS is to award funds through a regional and programmatic (i.e. activity specific) allocation process. Organizations are encouraged to seek other sources of funding and collaborate and coordinate programs and services with other organizations to optimize the use of NHAP funds. Program outcomes for NHAP are to provide decent affordable housing, establish and maintain a suitable living environment, and expand economic opportunity for individuals and families in Nebraska, particularly for low- and very-low-income persons. Strategies employed within the NHAP which are used to help reach each of these outcomes include:

- promoting self-sufficiency for persons who are homeless;
- involving a Continuum of Care approach by providing shelter and services in collaboration with other agencies;
- providing services and programs that fill an identified gap in the regional/local Continuum of Care;
- providing services and programs that if discontinued would create a substantial gap in the regional/local Continuum of Care; and
- Providing services and programs designed to prevent homelessness in the regional/local Continuum of Care.

Within the framework of reaching the NHAP outcomes, funding is focused on program activities which help to improve availability/accessibility, affordability, and sustainability.

3. Evaluation of past performance

The State of Nebraska has been successful in its efforts to address the priority needs identified in the 2015-2019 Consolidated Plan. The State has worked hard to further the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities, principally for low-and moderate-income persons (LMI). The projects selected by the State in FY 2017 address the priority needs identified in the State's 2015-2019 Consolidated Plan.

Specific details about past performance by the State on priorities covered by the 2010-2014 Consolidated Plan and strategies contained in Annual Action Plans are available through the State's Annual Performance Reports that are submitted to HUD each year. The 2015 Annual Performance Report was submitted to HUD in September of 2016 and is the most recent report submitted. The Report contains information regarding significant achievements in meeting the needs of Nebraskans. The State began utilizing its Outcome Performance Measurement System in 2006. This measurement system allows the State to better measure the accomplishments of activities funded with CDBG, HOME, HTF, ESG, and HOPWA.

4. Summary of Citizen Participation Process and consultation process

Proposed 2017 AAP

The State of Nebraska will conduct two public hearings on housing and community development issues in order to allow citizens the opportunity to provide input for the 2017 Annual Action Plan. The public hearings will include presentations which focused on housing and community development strategies to address housing and community development needs throughout the state. The public hearings will be held in Lincoln, with satellite sites throughout the state that include: Chadron, Kearney, Norfolk, North Platte, and Scottsbluff.

Prior to the public hearings, public notices were published in newspapers throughout the state. Public hearing notices via email were also posted on the DED website; distributed to local officials; developers; non-profit organizations; Development Districts; the Nebraska Commission on Housing & Homelessness; DHHS, and the CoCs throughout the state.

Additional information regarding the public hearings and comments will be available within the Final 2017 Annual Action Plan.

5. Summary of public comments

Comments will be inserted following the Public Comment Period and noted within the Final 2017 Annual action Plan.

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

Comments will be inserted following the Public Comment Period and noted within the Final 2017 Annual action Plan.

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 2017 Annual Action Plan.

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.

Table 1 Responsible Agencies		
Agency Role	Name	Department/Agency
Lead Agency CDBG, HOME, and HTF Programs	State of Nebraska, Department of Economic Development	Nebraska Department of Economic Development/Housing and Community Development Division
ESG Program	State of Nebraska, Department of Health and	Nebraska Department of Health and Human Services/Division of Children and Family
HOPWA Program	State of Nebraska, Department of Health and	Nebraska Department of Health and Human Services/Division of Public Health

Narrative

The Annual Action Plan was developed in partnership between 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 Housing and Community Development Division. The ESG Program is administered by DHHS within the Division of Children and Family Services. The HOPWA Program is administered by DHHS within the Division of Public Health.

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

1. Introduction

DED and DHHS consulted with local governments, State agencies, non-profit organizations, and other members of the public on the preparation of the 2017 Annual Action Plan.

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 at enhancing coordination between housing and service providers throughout the state. This was completed through consultation efforts made by DED and DHHS throughout the development of the Annual Action Plan. Some efforts for coordination included meeting with housing providers that included for-profit developers, members of the regional Development Districts; non-profit organizations; and community members throughout the state. In addition, consultation with the behavioral health and mental health advisory committee was conducted. DED routinely attends the regularly scheduled meetings of this organization in order to obtain a better understanding of what some of the issues and needs are of the mental health and substance abuse service providers.

The Nebraska Commission on Housing and Homelessness (NCHH) was created in 1994 and serves to promote public and private coordination and collaboration, develop policies and program recommendations that address affordable housing and homelessness and at risk of homeless issues, perform as the advisory body for the DED and the Nebraska Homeless Assistance Program (NHAP). The NHAP includes funding from both ESG and the State's Homeless Shelter Assistance Trust Fund (HSATF). The NCHH, in coordination with DED and DHHS, support a statewide Continuum of Care (CoC), evaluate unmet needs, and provide effective solutions to build the services and affordable housing needed for healthy viable Nebraskan communities.

Membership for the advisory body is comprised of governor-appointed representatives from public and assisted housing providers, local, regional and state officials, housing and homeless providers, community leaders, and other interested service agencies. CDBG, HOME, ESG and HOPWA program staff are actively engaged in Commission meetings. Other associations, public and private agencies and business in the state related to low income populations and services, housing, and development are also invited to attend and report at NCHH meetings. The Commission meets regularly to discuss, plan, and make recommendations for coordination and cooperation of the supports and services needed to service homeless persons and persons at risk of homelessness.

In addition, the state's updated 10 Year Plan to Prevent and End Homelessness was unveiled in January of 2015. This plan serves as a roadmap for achieving four overarching goals which include:

end chronic homelessness; end veteran homelessness; end child, family, and youth homelessness; and finally, set a path to reducing overall homelessness. The Plan will drive increased leadership, collaboration and civic engagement across multiple agencies, groups, and organizations such as public and private housing, disability, health, financial, employment, elderly, child welfare, victims of domestic violence, and other for profit and nonprofit service agencies.

Additional efforts at consultation are noted below.

In regard to the HTF Program, DED consulted with a number of entities that included homeless service providers; housing authorities; the Continuums of Care (CoCs); housing developers; non-profit organizations; the Nebraska Investment Finance Authority (NIFA); the Nebraska Commission on Housing and Homelessness (NCHH); and other communities and organizations throughout the state. The goal of this outreach was to obtain information on how to best administer the HTF Program, particularly in the areas of special needs housing and permanent supportive housing. Through collaboration and consultation, the State was able to develop the HTF Allocation Plan for the current Program Year.

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 purpose of the NHAP is to provide an overall “Continuum of Care” approach to address the needs of people who are homeless or are at risk of homelessness. To support the “Continuum of Care” approach, the Continuum of Care System is utilized. Nebraska has 2 ESG entitlement cities, which comprise the Region 6 Lincoln CoC and the Region 7 Omaha CoC, with the remaining local 5 regions collectively forming the Balance of State (BoS) CoC, whereas the entire state is referred to as the Continuum of Care System. As NHAP provides federal funds to the BoS CoC and HSATF dollars statewide, NHAP coordinates with the entire Continuum of Care System. The State coordinates directly with the Continuum of Care System on an ongoing basis by participating in Continuum meetings, leading strategic planning efforts, and supporting the Homeless Management Information system (HMIS) and CoC funding priorities.

To effectively help facilitate a cohesive statewide CoC network, NCHH established a State Continuum of Care Committee which includes representation from governmental, public, and private entities. All seven local CoC regions have representation on the State CoC Committee. The purpose of the State CoC Committee is to support the objectives in addressing the issues of the NCHH. To accomplish this, the following objectives are observed:

- 1) Focus attention of the need of persons who are homeless and persons at risk of homelessness;
- 2) Propose solutions to the needs of persons who are homeless and persons at risk of homelessness;

- 3) Encourage and support continuity, coordination, and cooperation at the State level among the State agencies that deliver programs and services to persons who are homeless and persons at risk of homelessness;
- 4) Coordinate the development of a statewide comprehensive plan;
- 5) Coordinate with the NCHH in developing recommendations for programs and/or services that involve housing the persons who are homeless persons at risk of homelessness;
- 6) Serve as an advisory body to the NHAP.

The State CoC Committee is intricately involved in the ongoing planning, coordination and implementation of program and/or services that involve housing and people who are homeless and at risk of homelessness. To accomplish these ongoing effects, quarterly meetings via conference call are conducted. Although NHAP is not a member of the NCHH or its State Continuum of Care Committee NHAP is attend the meetings to share information and seek input in effort to coordinate in meeting the needs of the populations served by ESG.

Under the guidance and direction of NCHH, the State Continuum of Care Committee is charged with implementing the Opening Doors: Nebraska – 10 Year Plan to Prevent and End Homelessness. The State Continuum of Care Committee will host regularly scheduled quarterly meetings in which diverse stakeholders will be represented, including but not limited to: State partners, Federal partners, CoC providers, consumers, and advocates. The 10 Year Plan is considered a living document and it will reflect the actual and evolving reality of funding, economics, and society.

As previously mentioned, two of the local 7 CoC regions are classified as entitlement regions. The remaining five CoC regions are identified as rural, and in 2010 were collectively grouped as a representative body for regions 1-5, defined as the Balance of State (BoS) CoC. The goal of the BoS CoC is to coordinate the efforts to prevent and end homelessness in rural Nebraska and does not include the entitlement cities of Omaha and Lincoln. For the BoS CoC Governing Board membership, each region elects two representatives. The BoS CoC, in conjunction with NHAP, meet monthly via conference call to discuss the planning, coordinating, and prioritization for the supports and services needed to serve and support the homeless and at risk of homelessness population in rural Nebraska.

The BoS CoC is comprised of five distinct local regional CoCs which include: Region 1, Panhandle, (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, Deuel counties); Region 2, North Central, (Cherry, Keya Paha, Boyd, Brown, Rick, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, Hamilton counties); Region 3, Southwest, (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Red Willow, Furnas, Harlan, Franklin counties); Region 4, Southeast, (Polk, Butler, Saunders, Sarpy, York, Seward, Lancaster, [The City of Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, Richardson counties); Region 5, Northeast, (Knox, Cedar, Dixon, Dakota, Antelope, pierce, Wayne,

Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, Douglas counties [The City of Omaha excluded].

At the regional CoC level, in order to ensure that the CoC enables widespread participation and collaboration, the BoS CoC serves as the Governing Board for the five CoC regions in rural Nebraska. Each of the five rural regions host a monthly in person regional meeting to coordinate and plan how services and resources can best meet the needs of the homeless and at risk of homelessness within the region.

In regard to the HTF Program, DED consulted with a number of entities that included homeless service providers; housing authorities; the Continuums of Care (CoCs); housing developers; non-profit organizations; the Nebraska Investment Finance Authority (NIFA); the Nebraska Commission on Housing and Homelessness (NCHH); and other communities and organizations throughout the state. The goal of this outreach was to obtain information on how to best administer the HTF Program, particularly in the areas of special needs housing and permanent supportive housing. Through collaboration and consultation, the State was able to develop the HTF Allocation Plan for the current Program Year.

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

State ESG funds are allocated through the State's unified funding process. The funding process helps ensure an equitable distribution of funds throughout the entire state. The allocation formula was developed through input from the NCHH, and is periodically reviewed and revised as appropriate. ESG funding distribution occurs through a competitive grant process in which allocation recommendations from the grant review team are provided. The review team is composed of representatives from the CoC regions, the NCHH, and the Department of Health and Human Services, and other collaborating departments.

The NHAP works to involve input with the Continuum of Care System in the NHAP funding process. The application process for ESG and HSATF dollars requires applicants obtain approval by their respective local regional CoC group to verify the CoC has determined the proposed applicant's services are congruent with gaps in services and/or the needs of the homeless and those at risk of homeless in that region of the state. NHAP also actively seeks input from the CoC System in pursuing different approaches to allocating funds across the state. An example of this input was NHAP consulting with the BoS in looking at options to best utilize funds for Rapid Rehousing and Homeless Prevention services. NHAP had proposed having one main provider for such services in each local region but the BoS, through each local regional CoC did not support the idea so NHAP did

not pursue such change at that time. NHAP will continue to consult with the NCHH, the State CoC Committee and the CoC System related to NHAP allocations of funds across the state.

The State consults with the BoS CoC on performance standards and outcome evaluations through monthly conference calls which NHAP regularly participates in. During the calls, the focus is to work on gathering and analyzing information to determine the needs of Nebraskans experiencing homelessness, plan and implement strategic responses, develop performance standards as well as evaluating outcomes, and identify and implement endeavors to improve the quality and effectiveness of strategies to prevent and end homelessness. Various work groups developed by the BoS CoC address current and future needs, including the HEARTH Implementation Committee, HMIS subcommittee, the New/Project Renewal Performance Evaluation subcommittee and the Most Vulnerable Review Team.

The HEARTH Implementation Committee was created to: assist the BoS CoC in moving forward with updating the ESG Written Standards for the BoS CoC; address, develop, and implement the Coordinated Assessment System; and respond to HUD's policies on prioritization of chronic homeless. On June 10, 2015, an updated Written Standards for ESG/CoC Service Delivery was adopted. A copy is posted on the NHAP website at: [http://dhhs.ne.gov/children_family_services/Documents/NHAP \(ESG and HSATF\) Program Standards.pdf](http://dhhs.ne.gov/children_family_services/Documents/NHAP_(ESG_and_HSATF)_Program_Standards.pdf). The Homeless Management Information System (HMIS) subcommittee is a standing committee under the BoS CoC designed to address training, technical support, and data quality.

The New Project/Renewal Performance Evaluation subcommittee is another subcommittee under the BoS CoC. The focus of the New Project/Renewal Performance Evaluation subcommittee is to establish priorities and develop a process for the use of new CoC resources, assess the performance of funded programs, and make recommendations to the CoC on the reallocation of CoC resources.

The State also consults CoC System of Care on the development of HMIS policies and procedures as well as funding through multiple avenues. In August of 2014, a two day HMIS training was conducted, to bring together home and housing service providers, housing and homeless service funders, and HMIS providers from across the state to discuss and learn about the development of Nebraska's Coordinated Access System for the homeless. One of the significant outcomes from the training lead to adopting the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) as the coordinated assessment tool for Nebraska. With the VI-SPDAT identified as the coordinated assessment tool, the BoS CoCs committed to piloting and testing the tool.

This effort then leads to the creation of the "All Doors Lead Home Coordinated Entry" which was established as a collaborative approach to find and connect homeless persons as quickly as possible to the most appropriate and effective housing. To facilitate the statewide prioritization and placement process for the most vulnerable homeless population in the BoS CoC, the Most Vulnerable Review Team (MVRT) was created by the BoS CoC. By using the "All Doors Lead Home

Coordinated Entry" approach, the HMIS Client Profile information and VI-SPDAT assessment score are shared with the Most Vulnerable Review Team (MVRT). The MVRT assembles weekly via conference call to discuss, review and select the most vulnerable homeless population in the BoS CoC who can be best

served in Permanent Supportive Housing (PHS).

NHAP utilizes ESG and HSATF to assist in funding the electronic system the CoC selected as the HMIS as well as the database administration entity. To ensure CoC involvement in the competitive funding process utilized for subgranting NHAP funds, the review and selection team for the procurement process is comprised solely of CoC representatives

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

Region 5 Northeast	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
PATH	DHHS Behavior Health	Homelessness Strategy	Consulted through Meeting in-person, E-mail and Phone Calls
State CoC	CoC Stakeholders and Human Services Professionals	Homelessness Strategy	Consulted through Phone calls
Association of Home Builders	Non-Profit Organization	All Sections	Consulted through Email
CDBG Certified Administrators	Various	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Commission on Housing and Homelessness	Commission	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Community Action Agencies	Social Services and Non-Profit Organizations	All Sections	Consulted through Email
Nebraska County Clerks	Government	All Sections	Consulted through Email
Nebraska Economic Developers Association	Professional Association	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Housing Authorities	Housing Authorities	All Sections	Consulted through Email
Nebraska Housing Developers Association	Professional Association	All Sections	Consulted through Email, through phone calls, and in person.

Nebraska League of Municipalities	Non-Profit Organization	All Sections	Consulted through Email
Nebraska Regional Officials Council (NROC)	Council	All Sections	Consulted through Email
First Class Nebraska Cities	Government	All Sections	Consulted through Email, through phone calls, and in

Proposed 2017 AAP

Table 2 Agencies, groups, organizations who participated

Agency/Group/Organization	Agency/Group/Organization Type	What section of the Plan was addressed by Consultation?	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?
Region 1 Panhandle	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 2 North Central	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 3 Southwest	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls
Region 4 Southeast	Continuum of Care	Homelessness Strategy	Consulted through E-mail and Phone Calls

Second Class Nebraska Cities	Government	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Villages	Government	All Sections	Consulted through Email, through phone calls, and in person.
Non-Profit organizations	Various	All Sections	Consulted through Email, through phone calls, and in person.

For Profit Developers	Various	All Sections	Consulted through Email, through phone calls, and in person.
Nebraska Investment Finance Authority (NIFA)	Quasi-Government	All Sections	Consulted through Email, through phone calls, and in person.
Community Housing Development Organizations (CHDOs)	Various	All Sections	Consulted through Email, through phone calls, and in person.

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

When developing the Consolidated Plan, the State consulted with all agencies that the State felt would provide relevant information for the Plan. The state of Nebraska has over 100 public housing agencies and does not have one agency that oversees all of these agencies. Contacting each agency individually would not have been feasible, but the State attempted to provide as broad an outreach as possible through the distribution of information through multiple methods.

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?
Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska, 2015-2025	Nebraska Commission on Housing and Homelessness	Various homeless assistance providers, in consultation with CoCs; consultants; federal and state partners; housing developers; and other interested parties developed the 10 Year Plan than can be utilized in coordination with the State’s Consolidated Plan and Annual Action Plan in helping coordinate efforts, funding, and priorities among different programs aimed at ending homelessness.
City of Omaha— Comprehensive Plan	City of Omaha	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.
City of Lincoln— Comprehensive Plan	City of Lincoln	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.
City of Bellevue— Comprehensive Plan	City of Bellevue	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.
City of Grand Island— Comprehensive Plan	City of Grand Island	Having a better understanding of the planning efforts within the largest cities within Nebraska will aid at ensuring a coordinated effort is made through the utilization of resources.

Table 1 - Other local / regional / federal planning efforts

Narrative

The information above provides a description of the coordination and consultation efforts made by the State.

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 is an essential component of a statewide planning effort. Nebraska strongly encourages public participation throughout the consolidated planning process.

OPPORTUNITIES FOR PUBLIC PARTICIPATION

The importance of public participation (including consultation with advisory groups) in the development of the AAP cannot be overstated. Each year DED must update objectives and describe the State's method of distribution of funds to effectively utilize HUD assistance. Public hearings are held to obtain citizen comments on the AAP. The hearings are held at times and locations considered convenient to potential and actual beneficiaries, and with accommodations for persons with disabilities. Opinions from the public regarding the best time and date for such hearings are welcome.

Citizens and other interested parties are given an opportunity for reasonable and timely access to information and records relating to the AAP, and the use of assistance under the programs it covers. Copies of the 2017 Annual Action Plan, the State's 2015-2019 Consolidated Plan, and other related information may be obtained by accessing the Department's website at: <http://www.neded.org> or by contacting a staff member at one of the numbers listed at the beginning of this document.

Citizen Participation Outreach

Within the IDIS eCon Planning Suite System, the Citizen Participation Outreach Table has been generated (See below). This table will be completed following the Public Comment Period and noted within the Final 2017 Annual Action Plan.

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)

Expected Resources

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

The following table describes the anticipated resources to be allocated throughout Nebraska broken down by program type. These anticipated resource projections are made for FY 2017 and the remaining two years of the Consolidated Plan.

Nebraska anticipates receiving the following amount in FY 2017: CDBG:

\$10,400,000

HOME: \$3,000,000 ESG: \$941,814

HOPWA: \$370,412 HTF: \$3,000,000

In addition, Nebraska anticipates utilizing the following additional State resources in FY 2016: NAHTF: \$9,600,000 HSATF: \$3,000,000

Additional information will be identified within the Annual Action Plan as well as supplemental information will be provided regarding the annual allocation of resources. This additional information will be provided within the Appendix (www.neded.org/aap).

Anticipated Resources

Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of Con Plan \$	Narrative Description
		Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Public Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$10,400,000	\$2,000,000	\$23,408,182	\$35,808,182	\$24,000,000	See below

Table 2 - Expected Resources – Priority Table

Narrative Description:

CDBG resources are provided to units of local government for CDBG-eligible activities. A portion of resources is reserved for state administration and technical assistance funds that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). State recipients and sub-recipients may also receive administration funds. Additional funds will be provided by DED as match to the CDBG allocation. This amount will fulfill the one to one matching requirement of the CDBG Program.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	Public Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$3,000,000	\$0	\$6,025,567	\$9,025,567	\$6,000,000	See below

Table 3 - Expected Resources – Priority Table

Narrative Description:

HOME resources are primarily used for rental development and acquisition, rehab, and resale activities. State sub-recipients of resources may also receive administrative funds. A portion of NAHTF resources will be committed as HOME Match in order to meet the 25% HOME Match requirement for non-administrative funds. No less than 15% of resources will be utilized for CHDO-eligible activities as is required.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	Public Federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$370,412	\$0	\$732,776	\$1,103,188	\$720,000	See below

Table 4 - Expected Resources – Priority Table

Narrative Description:

The majority of HOPWA resources are Federal monies that are often matched with resources from Community Action Agencies and frequently paired with services and sources through the Ryan White Part B Program. A Portion of HOPWA funds will be used for administrative expenses provided to the HOPWA Program Sponsor, and for the purchase of a case management software system.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			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	\$941,814	\$0	\$1,890,254	\$2,832,068	\$1,880,000	See below

Table 5 - Expected Resources – Priority Table

Narrative Description:

Nebraska Homeless Assistance Program (NHAP) funding consists of ESG funds and HSATF. HSATF dollars serve as the HUD-required one-to-one match for ESG dollars at the state level, so activates funded with HSATF dollars must also meet federal ESG requirements.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	Public Federal	Acquisition Multifamily rental new construction Multifamily rental rehab New construction for rental	\$3,000,000	\$0	\$3,000,000	\$6,000,000	\$6,000,000	See below

Table 6 - Expected Resources – Priority Table

Narrative Description:

HTF resources are primarily used for rental 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. A portion of the available resources (10%) may be utilized by the State for planning and administration.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Nebraska Affordable Housing Trust Fund	Public State	Acquisition Admin and Planning Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$9,600,000	\$0	\$18,000,000	\$27,600,000	\$18,000,000	See below

Table 7 - Expected Resources – Priority Table

Narrative Description:

Nebraska Affordable Housing Trust Fund (NAHTF) resources will be utilized to further housing programs throughout the state. A portion of the NAHTF resources will be used as match for HOME Program funds.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other (HSATF)	Public State	Financial Assistance Overnight shelter Permanent housing in facilities Permanent housing placement Public Services Rapid re-housing (rental assistance) Rental Assistance Services Short term or transitional housing facilities Supportive services Transitional housing	\$3,000,000	\$0	\$4,900,000	\$7,900,000	\$6,000,000	See below

Table 8 - Expected Resources – Priority Table

Narrative Description:

Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities. A portion of these funds will be utilized as match for the ESG Program.

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 funds will be leveraged with other local resources within the Comprehensive Development, Public Works, Planning, and Downtown Revitalization categories. DED funds will be utilized in order to meet the matching requirements of the CDBG Program, and this will include matching funds for the CDBG administration allocation which will fulfill the one for one matching requirements of the CDBG Program.

HOME funds will be leveraged with other resources including private mortgages, low income housing tax credits, private equity, and local resources. NAHTF resources will be committed as HOME Match in order to meet the 25% HOME Match requirement for non-administration funds.

In regard to the ESG Program, the Nebraska Homeless Assistance Program is a grant program that is comprised of the Nebraska Homeless Assistance Trust Fund (HSATF) and the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG). The HSATF is state funding that is based on a twenty-five cent set-aside on each \$1,000.00 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales. Annually HSATF provides approximately 1.9 million dollars to the Nebraska Homeless Assistance Program. HSATF dollars serve as the HUD-required one-to-one match for ESG dollars, which well exceeds the match requirement. Another resource utilized by some ESG subrecipients who provide transitional housing and/or supportive services is through the CoC Program (SHP). Lastly, a significant amount of local NHAP subrecipients contribute additional resources such as Community Services Block Grant, local foundations, and United Way to the homeless program they operate.

For the HOPWA Program, the majority of leveraging of funds include public funding, such as Ryan White Parts B and C, the Housing Choice Voucher Program, and the Calico Support Group which consisted of contributions toward rent assistance, medications, Section 8 vouchers, financial and housing utility assistance, food, transportation to care appointments, and HIV care. Leveraging from private funding by the Nebraska AIDS Project-Flowers' Fund provided food and personal care, transportation. Other funding leveraged was from resident rent payments by client to private landlord. Assistance that HOPWA clients receive from outside resources is entered into the Provide Case Management software program to support completion of the Consolidated Annual Performance and Evaluation Report (CAPER).

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 in order to create successful HTF projects.

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.

Discussion

See above for additional information.

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	Housing Program	2015	2019	Affordable Housing	Statewide	Housing Priority Need	CDBG: \$1,500,000 HOME: \$2,700,000 Housing Trust Fund: \$9,150,000 National Housing Trust Fund: \$2,700,000	Rental units constructed: 70 Household Housing Unit Homeowner Housing Added: 25 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit Rental Housing Rehabilitated: 30 Household Housing Units
2	Community Development Program	2015	2019	Non-Housing Community Development	Statewide	Community Development Priority Need	CDBG: \$6,700,000	Public Facility or Infrastructure Low/Moderate Income Housing Benefit: 55,500 Persons Assisted Facade treatment/business building rehabilitation: 35

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Economic Development Program	2015	2019	Non-Housing Community Development	Statewide	Economic Development Priority Need	CDBG: \$1,800,000	Jobs created/retained: 100 Jobs Businesses assisted: 7 Businesses Assisted
4	Nebraska Homeless Assistance Program (NHAP)	2015	2019	Homeless	Statewide	Homeless Services Priority Need	ESG: \$941,814 HSATF: \$2,731,571	Tenant-based rental assistance / Rapid Rehousing: 452 Households Assisted Homeless Person Overnight Shelter: 7,224 Persons Assisted Homelessness Prevention: 1,483 Persons Assisted
5	HOPWA Program	2015	2019	Homeless Non-Homeless Special Needs	Statewide	HOPWA Services Priority Need	HOPWA: \$370,412	Tenant-based rental assistance / Rapid Rehousing: 12 Households Assisted Other: 45 Other

Table 9 – Goals Summary

Goal Descriptions

1	Goal Name	Housing Program
	Goal Description	Within the Nebraska Affordable Housing Program resources will be provided that primarily benefit low to moderate income persons, and extremely low income persons, through affordable housing activities. These activities are completed through resources from CDBG, HOME, HTF, and the NAHTF.
2	Goal Name	Community Development Program
	Goal Description	This Program includes planning; public works; water/waste water; comprehensive development; and downtown revitalization activities. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
3	Goal Name	Economic Development Program
	Goal Description	The primary goals of the Program include: job creation and expansion; and tourism development. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
4	Goal Name	Nebraska Homeless Assistance Program (NHAP)
	Goal Description	Rapid Rehousing-Securing permanent housing options for persons who are homeless with emphasis on addressing needs of the individuals to encourage stability. Homeless Shelter- Providing 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.
5	Goal Name	HOPWA Program
	Goal Description	The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.

Table 10 – Goal Descriptions

AP-21 HOPWA Annual Goal - 91.320(c)(3)&(e)

Narrative (Optional):

The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.

The activities in the "Other" section below includes: Short-term Rent/Mortgage and Utilities Assistance, Permanent Housing Replacement and Supportive Services.

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

Funding Allocation Priorities

	Housing Program (%)	Community Development Program (%)	Economic Development Program (%)	Nebraska Homeless Assistance Program (NHAP) (%)	HOPWA Program (%)	Total (%)
CDBG	15	67	18	0	0	100
HOME	100	0	0	0	0	100
HOPWA	0	0	0	0	100	100
ESG	0	0	0	100	0	100
Housing Trust Fund	100	0	0	0	0	100
Other HSATF	0	0	0	100	0	100
Other HTF	100	0	0	0	0	100

Table 11 – Funding Allocation Priorities

Reason for Allocation Priorities

Through experience and consultation, the allocation priorities for CDBG 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. Note that the above table does not reflect admin expenses, but does include the \$2 million in CDBG program income that is expected to be used during the 2017 Program Year.

ESG funds will be utilized, along with Homeless Shelter Assistance Trust Fund (HSATF) resources, in order to provide funding for 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. Funding is distributed among the 7 geographical regions in Nebraska based on a base amount and pro rata formula based on population and poverty levels.

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 in order to meet the needs of persons living with HIV/AIDS. This Priority Need includes 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.

The HOPWA Services Program will utilize HOPWA resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need. 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 and Tenant-Based Rental Assistance has proven to be the best use of HOPWA resources if the person is not eligible for other assistance.

The National Housing Trust Fund (HTF) Program provides additional funds for the housing program and through the first year of implementation of the program additional housing will be provided for extremely low income families.

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

The State's Housing Priority Need includes the need to respond to regional needs for affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. This Priority Need includes 4 Objectives that have been developed in order to meet the Housing Priority and include:

- Promote additional affordable rental housing and preservation of affordable rental housing in selected markets.
- Promote housing preservation by improving the quality of Nebraska's existing affordable housing.
- Promote additional households into homeownership by expanding affordable homeownership opportunities.
- Enhance statewide understanding of fair housing law through outreach and education.

The Nebraska Affordable Housing Program will utilize CDBG, HOME, HTF, and NAHTF resources in order to address the Priority Need mentioned above as well as in order to address those specific objectives associated with the priority need.

The Community Development Priority Need has been developed in order to strengthen Nebraska communities through community development programs and services in order to provide a stable platform for economic development. This Priority Need includes 3 primary objectives that include:

- Improve the quality of water and wastewater in Nebraska and assist in developing and financing appropriate infrastructure and facilities for communities and counties that have planned and set priorities for long-term development;

- Invest in quality projects that are identified in a formal community development plan; compliment or support related community investments; leverage maximum private and/or other investment; and have reasonable plans for long-term operation and maintenance; and
- Increase capacity, efficiency, and effectiveness of local planning efforts resulting in long-term development.

The Community Development Program will utilize CDBG resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need.

The Economic Development Priority Need includes the need to foster the competitiveness of Nebraska's business and industrial sector, and as a result, assist in the economic development of Nebraska's communities and people. This Priority Need includes 3 primary objectives that include:

- Promote the retention and expansion of existing businesses in Nebraska, and the startup of new businesses in Nebraska, and the immigration of out-of-state businesses relocating or expanding into Nebraska.
- Invest in public facilities and improvement activities that make economic opportunities available to low and moderate income persons.
- Invest in effective and affordable tourist attractions (for profit or nonprofit) in quality communities that will result in visitor spending, generate jobs, and promote long-term economic development.

The Economic Development Program will utilize CDBG resources in order to address the Priority Needs mentioned above and to address those specific objectives associated with the priority need. The Homeless Services Priority Need has been developed in order 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 2 primary objectives that include:

- 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 will utilize ESG funds and HSATF resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need. ESG funds will be utilized, along with Homeless Shelter Assistance Trust Fund (HSATF) resources, in order to provide funding for 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 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. As per HUD regulations, ESG funds will be allocated among several service categories, ensuring that that no more than 60 percent of the total ESG award is allocated to Street Outreach (SO) and Emergency Shelter (ES) services.

The statewide Continuum of Care (CoC) system has been developed to help ensure that people who are homeless or at risk of homelessness are able to access needed emergency shelter, street outreach, homelessness prevention, and rapid rehousing services in each of the 93 counties in the State of Nebraska. Nebraska is separated into 7 geographical regions, 2 being urban areas which receive ESG funding directly, with the remaining 5 regions receiving ESG funds through the DHHS/State of Nebraska. In addition to the ESG funds, DHHS allocates the Homeless Assistance Trust Funds (HSATF) using allocation formulas to all 7 regions in Nebraska, which are utilized as matching funds for ESG.

Each year, an allocation formula is calculated and utilized in distributing NHAP grant funds. The formula helped ensure an equitable distribution of funds throughout the entire state. The formula was 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 NOFA 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 will be made to reduce the impact of the change by region.

The Nebraska Homeless Assistance Program is in the process of identifying service gaps in Nebraska and will be coordinating with other state and federal funders and the Department of Economic Development in addressing unmet needs in our communities. To meet this goal, NHAP is identifying available programs throughout the State of Nebraska, requesting feedback from direct homeless service providers and the regional Continuums of Care, monitoring collaboration between homeless service providers, promoting a "no wrong door" to service provision, encouraging the use of the coordinated entry system and evaluation of individuals using the VI-SPDAT tool and collecting data on the length of subrecipients' waitlists, and rates of individuals turned away due to a lack of shelter space and/or funding availability. This feedback and data will be evaluated, and if specific service gaps are identified, the possibility for special project funding will be evaluated for feasibility and availability of funding.

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 in order to meet the needs of persons living with HIV/AIDS. This Priority Need includes 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.

The HOPWA Services Program will utilize HOPWA resources in order to address the Priority Need mentioned above and to address those specific objectives associated with the priority need. 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 and Tenant-Based Rental Assistance has proven to be the best use of HOPWA resources if the person is not eligible for other assistance.

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

The Methods of Distribution will be identified for four federal resources which include CDBG, HOME, ESG, and HOPWA. In addition, a brief discussion will be provided regarding two State programs related to the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF).

Within the IDIS eCon Planning Suite System, the Distribution Methods by State Program Table has been generated (See below). For purposes of providing more detailed information the following table has been supplemented and reformatted in order to provide the public with a clearer picture of the State’s methods of distribution.

Distribution Methods

Table 12 - Distribution Methods by State Program

1	State 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)	

	<p>Describe how resources will be allocated among funding categories.</p>	
	<p>Describe threshold factors and grant size limits.</p>	
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	

Discussion

Federal Programs

Community Development Block Grant (CDBG)

CDBG funds will be used for several activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. Projects are funded in order to meet at least one of three CDBG National Objectives that include: (1) benefit low- and moderate-income persons; (2) prevent or eliminate slums or blight; and (3) meet urgent community development needs. The State annually certifies that not less than 70% of the aggregate funds received during a 3 year period (as identified to HUD) shall be used for activities benefitting low and moderate income (LMI) persons.

CDBG funds are not specifically targeted to areas of minority concentration, but are distributed throughout the state’s non-entitlement areas (all areas outside of Omaha, Lincoln, Bellevue, and Grand Island) targeted for activities that serve LMI persons. Since projects funded with CDBG resources typically provide a community-wide benefit, it can be assumed that minority groups benefit equally in the same proportion as they occur in the general population.

The State Programs set forth within this Method of Distribution of the current CDBG allocation attempt to balance the need for providing jobs and suitable places to live. Funds are reserved in each category based on a percent of the total funds available for distribution to local governments. The State is allowed \$100,000 plus 3% of the State grant for administration and technical assistance in accordance with HUD regulations. The State is also allowed 3% of the program income received by units of general local government (whether retained by the unit of general local government or paid to the State) and funds reallocated by HUD to the State.

To achieve the most effective and efficient use of CDBG funds, DED may, at its discretion, use categorical adjustments. A categorical adjustment allows DED to reserve up to 10% of the total CDBG allocation for use as needed among categories. An adjustment of more than 10% of the total allocation, or the creation or elimination of a category, will be considered a substantial amendment to the AAP, and would require further steps as identified within the Citizen Participation Plan section of the Consolidated Plan. Adjustments may be made for remaining balances within a Category within the last 3 months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement which requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month time frame.

For purposes of the 2017 Annual Action Plan, the overall CDBG Program includes activities within the Housing Priority Need, the Community Development Priority Need, and the Economic Development Priority Need.

A description and details of each State Program will be identified below.

State Program Name: CDBG Owner Occupied Rehabilitation Program (OOR)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Housing Priority Need, CDBG funds will be utilized for owner occupied rehabilitation activities and made available to LMI persons at or below 80% of the Area Median Income.

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

The CDBG OOR Program will be implemented by the Nebraska Affordable Housing Program (NAHP) within DED. The NAHP will utilize a separate application cycle titled the "NAHP CDBG Owner Occupied Rehabilitation Cycle". CDBG funds will only be available for applicants that are CDBG-eligible units of general local government. The CDBG entitlement communities of Omaha, Lincoln, Bellevue, and Grand Island are not eligible for resources.

Specific application questions will be developed for the CDBG OOR Cycle and will include a section for project need; project impact; project readiness; community support; and match. In addition, a section for the Municipal Equalization Fund (MEF) score which will be calculated for each applicant and added to the total application score and an additional section for bonus points.

The total points available for any given application will be 1,000 points. Applicants will be required to obtain a minimum score within designated sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in

the Application not being funded during the CDBG OOR Cycle.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. The Housing Management activity cannot exceed 10% of the amount of CDBG funds awarded.

Below is the Scoring Criteria Matrix that will be utilized within the CDBG OOR Program Category for applications.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Match	MEF	Bonus Points	TOTAL
250	250	200	100	50	100	50	1,000 points
100 min	100 min	100 min	50 min	0	0	NA	350 minimum

Specific questions regarding the application criteria will be made available within the CDBG OOR Cycle Application Guidelines.

Each CDBG project will be required to provide \$5,000 in matching resources and \$5,000 worth of in-kind contributions intended to enhance the CDBG OOR project for the neighborhoods and communities served.

Overall, the information provide above is a summary of the criteria that will be utilized within the CDBG OOR Cycle.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG OOR Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>.

Describe how resources will be allocated among funding categories.

\$1,500,000 in CDBG resources will be available for the CDBG Owner Occupied Rehabilitation Program.

Up to \$250,000 is available per project.

Describe threshold factors and grant size limits.

The threshold factors within the CDBG OOR Program are noted below. The maximum amount of CDBG funds that may be obtained will be \$250,000.

Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons.

Additional threshold factors include: whether the applicant is an eligible unit of general local government classified as a municipality (i.e. City or Village); and whether the applicant has achieved the expenditures of previous grant funds for other projects.

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

Through the CDBG OOR Program additional owner-occupied rehabilitation will occur for housing units occupied by LMI persons throughout the state. The additional number of units rehabilitated will be quantified within the Annual Performance Report under the "Housing Program" Goal that is completed after the conclusion of the previous Program Year

State **Program Name:** Comprehensive Development (CD)

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG funds will be utilized for CDBG Eligible activities that include those identified as State Priorities in the Housing, Public Works, Planning, and Downtown Revitalization categories and made available to LMI persons or in areas that are defined under the Slum and Blight National Objective criteria. A complete list will be identified within the Appendix (located: <http://opportunity.nebraska.gov/community/grants/documentslibrary-a-forms/annual-action-plan>).

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

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a pre-development study that defines a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes. During the 2016 Program Year, communities were selected for Phase I (pre-development) funding.

The second phase will be awarded, after the successful completion and DED approval of the pre-development study; to implement physical projects identified in the CD pre-development study. The first allocation of implementation resources will be awarded during the 2016 Program Year. Those communities that receive resources for Phase II activities will have the opportunity to utilize additional resources for a second allocation of implementation funding. The purpose of the second allocation of funding is to continue (or expand) the activities completed during the first allocation of Phase II resources.

Eligible communities include only those communities that previously received Phase I and Phase II resources including: Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, York.

The CDBG entitlement communities of Omaha, Lincoln, Bellevue, and Grand Island are not eligible nor are any other communities who were not selected for CD Phase I and Phase II funding the previous year. See the “Threshold Requirements” within the Appendix (<http://opportunity.nebraska.gov/community/grants/documentslibrary-a-forms/annual-action-plan>) for specific thresholds that are also considered in determining eligibility.

Pre-development activities undertaken to complete Phase I CD project activities required a 25% match and 25% leverage. For Phase II, all activities, except for General Administration, Housing Management, and Construction Management, **would require a 50% match and 50% leverage.**

All activities in Phase II, except General Administration, Housing Management, and Construction Management, would require 50% match. Match may include public and private funds, or in-kind services, such as materials, labor, or other items that are directly related to the project. The amount of match must be calculated in dollars.

All activities in Phase II, except General Administration, Housing Management, and Construction Management, also require 50% leverage. Proposed leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period. Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

General Administration activities during the project implementation phase (Phase II) may not exceed 10% of the amount of CDBG funds awarded. The Housing Management activity cannot exceed 10% of the grantee’s allocation. The Construction Management Activity cannot exceed \$8,000. These amounts are taken out of the CDBG CD project allocation for each community. General Administration, Housing Management, and Construction Management activities require no matching funds.

Grantees with open Comprehensive Development awards cannot apply within the Public Works and Water Wastewater Program Categories.

Below is the Selection Criteria Matrix that will be utilized within the CD program category for the second allocation of Phase II resources:

Selection Criteria	Maximum	Threshold Minimum
1. Project Design	300	150
2. Project Readiness	200	100
3. Community Support	200	100
Total	700 points	350 points

Additional information regarding threshold requirements and eligible activities can be found within the

Appendix (www.neded.org/aap), and also within the CD Program Guidelines.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Comprehensive Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available in the Appendix and the DED website at:

<http://opportunity.nebraska.gov/community/grants/applications/cdbg-forms>

Describe how resources will be allocated among funding categories.

It is anticipated that \$2,450,000 in CDBG funds will be utilized for CD Phase II (implementation).

Describe threshold factors and grant size limits.

All activities proposed in applications for CDBG funding in the CD category must meet one of the national objectives of (1) benefitting low-and moderate income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, or LMI Housing); or (2) aiding in the prevention or elimination of slums or blight. A project or project activity that fails to meet one of these specified national objectives is ineligible.

The maximum grant amount for project implementation activities will be \$350,000 for the first allocation of implementation, and \$350,000 for the second allocation for a total of \$700,000 for Phase II.

Only up to 25% of each community's allocation can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program, provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community. If the CD grantee is awarded funds within the DTR Program, 0% of the CD allocation may be used for activities eligible for assistance under the DTR Program except for housing activities. In addition, no more than \$3,000 in CDBG funds per beneficiary of record can be invested in the described project area on public works eligible activities.

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

Additional comprehensive development efforts will improve communities throughout the state.

State Program Name: Downtown Revitalization (DTR)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG funds will be utilized within the Downtown Revitalization Program for activities that will contribute to the revitalization or redevelopment of downtown infrastructure, health and safety concerns, and develop a greater capacity for growth. This provides a sound basis for fostering local economic development. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and create a center for community activity which is directly related to business expansion and location decisions. Activities will assist communities to carry out a comprehensive downtown revitalization pre-development study to stabilize and enhance clearly defined downtown areas that will provide a benefit to low/moderate income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown as part of meeting CDBG National Objective criteria.

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

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a well-defined, comprehensive pre-development study that defines a series of specific desired outcomes with goals and action steps for improvements to a defined downtown business district. Applicants will apply for this phase within the Planning Category.

The second phase will be awarded after the successful completion and approval by DED of the downtown revitalization pre-development study in order to implement physical projects or loan programs identified in the downtown revitalization pre-development study. The pre-development study must be submitted with the required application to receive an award for Phase II activities.

CDBG funds for Phase II are reserved for communities that successfully completed Phase I Downtown Revitalization pre-development studies; completed an equivalent DTR study within the Planning Category or privately funded study; or for those communities who have successfully completed a Phase I and Phase II DTR project. This includes previous 2015 and 2016 Phase I award recipients that successfully completed a Phase I study but were not successful in obtaining Phase II resources.

Eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 persons and are not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the "Threshold Requirements" within the Appendix (www.neded.org/aap) for specific thresholds that are also considered in determining eligibility.

Below is the Selection Criteria Matrix that will be used for the DTR Program Category as it relates to Phase II (Implementation). Phase I applications would be made available within the Planning Category. Additional information is available within the Appendix.

(1)	(2)	(3)	(4)	(5)	(6)			(7)
Project Design	Project Readiness	Business and Community Support	Matching Funds	MEF	Bonus Points	SUBTOTAL	Onsite Review	TOTAL
300	200	150	50	100	100	900	100	1,000 points
175 min	100 min	75 min	0	0	NA	350	50	400 min

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Downtown Revitalization Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

Describe how resources will be allocated among funding categories.

It is anticipated that \$1,750,000 in CDBG funds will be utilized for project implementation (Phase II).

Up to \$350,000 would be available per project.

Describe threshold factors and grant size limits.

Each project funded must meet a CDBG National Objective of benefiting low to moderate (LMI) income persons or slum and blight (SBA).

As has been the practice for the last few years, DTR applicants will no longer be required to obtain either an Economic Development Certified Community designation nor a Leadership Certified Community designation. Participation in these programs is encouraged as many of the elements of each program provide many benefits to a community and can enhance DTR applications by having many of the necessary items for a project.

The maximum grant amount for Phase I (pre-development) is identified within the Planning Category.

The maximum grant amount for Phase II (project implementation) activities will be \$350,000 per community. DTR activities undertaken during Phase II require a 25% match. No more than half of

the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total DTR project costs. General Administration activities during the project implementation phase may not exceed 10% of the amount of CDBG funds awarded. \$8,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance. General Administration and Construction Management activities do not require any matching funds.

Additional information regarding threshold requirements and eligible activities can be found within the Appendix (www.neded.org/aap) and also within the DTR Program Guidelines.

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 viability of downtown areas.

State Program Name: Economic Development (ED)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Economic Development Priority Need, CDBG funds will be utilized for providing communities (and counties) with resources to assist businesses which expand the state's economic base and which create quality jobs principally benefiting LMI employees and made available under the LMI, SBA, or Urgent Need CDBG National Objective criteria.

Eligible activities will generally include:

- loans to for-profit businesses (through the applicant community) for a variety of business purposes;
- public facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons;

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

A summary of the ED Program criteria include a number of items, much of which is noted below. Additional criteria include the following:

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$10.50 per hour, as well as provide appropriate employee benefits, for the duration of the project job maintenance period (this period will be established as part of the Memorandum of Understanding (MOU) for the project).
- Non-profit businesses/organizations are ineligible.
- Businesses that derive any revenues from gaming are ineligible.

- Production agriculture enterprises are ineligible. These are excluded because they lack the necessary CDBG ED Program Guideline requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquacultural facilities.
- Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

The general scoring criteria for the Program include 110 points available for any application. These criteria include: CDBG Funds Utilization; Community Impact and Investment; Business Factors; Economic Development Certified Community, and/or DED Leadership Community. Additional information will be noted within the Appendix:

<http://opportunity.nebraska.gov/community/grants/documentslibrary-a-forms/annual-action-plan>).

This information provided is a summary. Additional information will be available within the Appendix (<http://opportunity.nebraska.gov/community/grants/documentslibrary-a-forms/annual-action-plan>) and within the ED Application Guidelines.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Economic Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

Describe how resources will be allocated among funding categories.

For the 2017 Program Year, DED is considering funding economic development infrastructure activities/projects with the anticipated \$1,100,000 of funding allocated to this Program. Other activities/projects will be funded from DED's State CDBG Revolving Loan Fund.

Describe threshold factors and grant size limits.

Eligible applicants include every Nebraska incorporated municipality that is under a population of 50,000 persons. Every county in Nebraska is also eligible for the Program.

Each project funded must meet one of three CDBG National Objectives that include: benefiting low to moderate (LMI) income persons; aiding in the prevention or elimination of slums and blight (SBA); or meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community and other financial resources are not available to meet such needs.

The majority of projects funded within the ED Program meet the LMI National Objective. The LMI benefit is demonstrated in nearly all projects through job creation, job retention, or both job creation and job retention, by a benefited business. Such job creation or job retention must involve the employment of persons, the majority (51% or more) of whom are LMI persons.

All CDBG ED projects require a minimum 1:1 match of CDBG funds with funds from other (non-CDBG) sources. This means that CDBG funds can be no more than 50% of the total project cost.

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that State programs administering federal CDBG funds will achieve the federal objectives of the CDBG Program. The underwriting standards—the decision-making criteria—used in the Nebraska ED Program are designed to address these federal guidelines. Further information regarding the “decision-making criteria” and other information on the ED Program will be available within the Appendix (www.neded.org/aap). Additional information will also be available with the Economic Development Application Guidelines.

In addition, not all businesses are eligible to be benefited businesses under the DED CDBG ED Program. For a business to be eligible to be a benefited business that business must:

- meet the definitional criteria to be a "qualified business" as that term is defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made under these guidelines;

and also,

- meet any additional eligibility criteria, and not be ineligible by reason of the exclusions, in the ED Application Guidelines and above mentioned information.

Additional information regarding the Nebraska Advantage Act Criteria will be provided within the Appendix (www.neded.org/aap).

\$1,000,000 will be used as a guideline for a maximum award for any one project under the ED Program.

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

Through the Economic Development Program additional jobs will be created or retained throughout the state which will create additional opportunities for Nebraskan's, particularly those who are LMI.

State Program Name: HOME CHDO Program

Funding Sources: HOME funds

Describe the state program addressed by the Method of Distribution.

Within the Housing Priority Need, HOME funds will be utilized for eligible CHDO activities throughout the state and made available to eligible non-profits that are certified/recertified as Community Housing Development Organizations (CHDOs) under the Nebraska Affordable Housing Program application criteria.

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

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 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 Nebraska Affordable Housing Program (NAHP) within DED. The NAHP will utilize a separate application cycle titled the "CHDO Cycle". HOME funds will only be available for applicants that are eligible Community Housing Development Organizations (CHDOs).

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 for all eligible applications. The two highest scoring applications will be recommended for award, with a grant maximum of \$225,000. The application deadline will be September 29, 2017.

Complete application guidelines information will be made available within the CHDO Application Guidelines section. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at:

<http://www.neded.org/community/community-info/documentslibrary-a-forms/home>

Describe how resources will be allocated among funding categories.

\$450,000 in HOME resources will be available for the CHDO Program 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 for all eligible applications. The two highest scoring applications will be recommended for award, with a grant

maximum of \$225,000.

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.

State Certified/Recertified CHDOs will be selected through the HOME CHDO application process. The maximum amount of HOME funds available within the CHDO Cycle will be \$450,000, with a grant maximum of \$225,000.

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

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

State Program Name: HOME Rental Program

Funding Sources: HOME funds

Describe the state program addressed by the Method of Distribution.

Within the Housing Priority Need, HOME funds will be utilized for rental housing (both new construction and rental rehabilitation) through a joint application process between the Nebraska Investment Finance Authority (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 in order to make their tax credit projects feasible. The tax credit rental development program uses 9 percent tax credits (and may use 4 percent tax credits for a bond structured project) combined with other resources in order to provide affordable housing to low income persons, at or below 60% of the Area Median Income, throughout the state. All areas of Nebraska are eligible for these rental projects, including Omaha, Lincoln, Bellevue, and Grand Island.

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

Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, CHDOs, and units

of local government. These applicants will partner with rental housing developers 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: <http://nifa.org/downloads/20179qap.pdf>

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. The complete application can be found on NIFA's website at: <http://nifa.org/downloads/2017lihtcapp.pdf>

Describe how resources will be allocated among funding categories.

\$2,250,000 in HOME resources will be utilized for LIHTC rental housing development. In addition, \$675,000 in NAHTF resources will also be used within the tax credit cycles. These NAHTF resources will be used in order to meet the 25% HOME Match requirements.

Describe threshold factors and grant size limits.

Only eligible HOME applicants can apply for HOME resources within the NIFA/DED application cycles. Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, CHDOs, and units of local government. A number of 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).

There are no specific HOME grant size limits. However, DED staff will work closely with applicants in order 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 at least 20 years.

State 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, and rental application fees); housing information services and resource identification; and for the purchase of a case management software system utilizing HOPWA carryover funds from the previous year as well as Ryan White Part B monies. The case management software system will be 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.

In general, 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 (7) 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 Care and Prevention Consortium (NHPC) which consists of HIV/AIDS medical providers, service providers, consumers, and other members of the public. One of the members of the NHPC includes a representative of the Nebraska Red Ribbon Community. The Nebraska Red Ribbon Community is a geographical, diverse group of persons living with HIV/AIDS that work together to enhance and enrich the lives of fellow HIV positive persons through leadership and partnership with the State and other local organizations. In addition, the HOPWA Program Manager works closely with the Ryan White Part B Program Manager, the ADAP Coordinator and the Ryan White All Parts Committee members to coordinate services for persons living with HIV/AIDS. Committee meetings are held on a quarterly basis. The HOPWA Program Manager is currently in the process of developing a Quality Management Plan for the HOPWA Program and will align goals with that of Ryan White Part B Quality Management Program and Plan. The HOPWA Program is working with the Nebraska

Housing Developers Association (NHDA) to resume RentWise training to HOPWA clients across the state, and the HOPWA Program Manager was certified to train RentWise in May of 2016. Client services staff will complete the 'HOPWA TBRA Waiting List Application' for any client in potential need of the TBRA Program and submit the completed application to their immediate supervisor. Reviewers, consisting of Client Services Managers, Executive Director, and Compliance Supervisor, will review and discuss all applications received within four business days to determine if client/household meets criteria to be placed on the TBRA waiting list. The criteria for placement onto the TBRA waiting list constitutes falling into a range of the highest number of points the client/household receives on the 'HOPWA TBRA Waiting List Application' with the range being 8-26. The top five highest scoring clients/households from the HOPWA TBRA Waiting List Application and review process will be added every time there is an opening of available TBRA slot(s).

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

Nebraska AIDS Project (NAP) is the only AIDS Service Organization in Nebraska that currently provides case management services statewide to persons living with the HIV/AIDS disease. Because of this, DHHS awards HOPWA funds to NAP directly through a sole source contract deviation process. Requirements of the contract with Nebraska AIDS Project include their ability to provide case management and supportive services to eligible HOPWA clients, to coordinate provision of assistance with state and local governments and other public and private organizations and agencies, to ensure confidentiality, to have 'affirmative outreach procedures' to ensure that all persons who qualify for assistance know of the program, to conduct ongoing programmatic and financial monitoring and maintain reporting requirements, and to have at least one employee obtain a certificate of completion of the 'Getting to Work' training curriculum.

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) is the only AIDS Service Organization that provides case management services statewide to persons living with the HIV/AIDS disease. Because of this, DHHS awards HOPWA funds to NAP directly through a sole source contract deviation process. 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.

\$370,412 in HOPWA funds will be available with the 2017 Program Year. The majority of those resources will be awarded to the Nebraska AIDS Project, in order to administer the HOPWA Program.

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

DHHS

- Formula Administrative-\$11,112
- Supportive Services-\$7,000
- Housing Information-\$8,000
- Resource Identification-\$16,030
- Short-term Rent/Mortgage-\$9,433
- Long-term Rent-\$22,210

Nebraska AIDS Project

- Formula Administrative AID-\$18,988
- Supportive Services AID-\$95,960
- Resource Identification AID-\$3,225
- Permanent Housing Placement AID-\$9,000
- Short-term Rent/Mortgage AID-\$73,928
- Long-Term Rent AID-\$95,526

TOTAL: \$370,412

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, and tenant-based rental assistance.

State Program Name: Nebraska Homeless Assistance Program (NHAP)

Funding Sources: ESG funds and HSATF resources

Describe the state program addressed by the Method of Distribution.

Within the Homeless Services Priority Need, ESG funds will be utilized, along with Homeless Shelter Assistance Trust Fund (HSATF) resources, in order to provide funding for activities that provide 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 are able to access needed emergency shelter, street outreach, homelessness prevention, and rapid rehousing services in each of the 93 counties.

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

In order to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle in 2003. The first year involves a competitive application process that is open to any eligible applicant. The second year will be a renewal application process that is open only to existing NHAP recipients in good standing.

Grant year 2017-2018 is the 2nd year of this two-year grant cycle, which is a renewal year. Renewing NHAP applicants will submit a full application which includes performance outcomes from the previous year and narratives relating to the need of the program in their community, collaboration with other homeless providers, and outcomes for the individuals they serve.

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 is also collaborating 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. Applications and monitoring results are reviewed by an impartial review team each year for final funding determination.

In 2015, an allocation formula was used in distributing NHAP grant funds. The formula helped ensure an equitable distribution of funds throughout the entire state. The formula was 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 NOFA pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee.

The following NHAP plan was developed in consultation with Nebraska's Continuum of Care: 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 will be made to reduce the impact of the change in available funding by region.

In December of 2015, NHAP surveyed Nebraska's Continuum of Care and determined the current funding formula should remain in place for years 2016-17 and 2017-18.

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. Funding by geographic region is announced prior to the application process and awards are based on input from the applicable CoC and review of the applications received to meet service needs in each geographical region. The eligible applicants are units of general local government, Community Action Agencies and individual non-profits, including faith-based organizations. As mentioned above, NHAP utilizes a two-year grant cycle alternating years between the acceptance of only renewal applications and acceptance of new and/or renewal applications.

Describe how resources will be allocated among funding categories.

ESG funds will be allocated among several service categories. The Table below further describes the breakdown of estimated allocations for each of the ESG Categories in order to ensure that no more than 60 percent of the total ESG award is allocated to Street Outreach (SO) and Emergency Shelter (ES) services. Based on the ESG allocation estimate, SO and ES services must be below \$565,088, which is 60 percent of the total ESG funds.

Service	Estimated ESG Funds
Street Outreach (SO)	\$4,965
Emergency Shelter (ES)	\$164,544
Maximum SO & ES Subtotal (no more than 60% of Estimated Total Award)	\$169,509
Homelessness Prevention	\$381,712
Rapid Re-housing	\$202,648
HMIS	\$117,309
Services Subtotal	\$701,669
Estimated Administration (7.5%)	\$70,636
Total ESG Award	\$941,814

Describe threshold factors and grant size limits.

At present, DHHS does not have grant limits for ESG funds. However, because DHHS attempts to achieve equitable distribution, sizes of grant awards may be limited by available funds and the number of requests. There are no threshold factors for funding other than those identified in the RFA.

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

Through ESG and HSATF resources needed services will be provided to persons who are homeless or at risk of homelessness throughout the state. For the upcoming program year, we anticipate that 4,218 homeless persons will receive adequate emergency shelter/and or transitional housing, 2,091 homeless persons will be rapidly re-housed, and 1,596 individuals will receive support services to prevent them from becoming homeless.

State Program Name: Planning (PP)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG funds will be utilized by a local unit of government to provide community planning, fair housing studies, strategic planning, and functional or special studies, related to: housing, infrastructure, economic development, land use/regulatory measures, main street improvement district, energy conservation, transportation planning, environmental planning, heritage tourism studies, historic preservation studies, etc. and made available under the LMI or Slum and Blight National Objective criteria.

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

CDBG funds will only be available for applicants that are CDBG-eligible units of general local government. Specific application questions have been developed, which include: **project need**, impact, **readiness**, National Objective, **local matching funds**, and bonus points are available for sustainability. The total points available for any given application will be 1,000 points; a minimum of 450 points is required in order to be considered for funding. In addition, applicants will be required to obtain a minimum score within the **project need**, impact, and **readiness** sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in the Application not being funded.

Below is the Selection Criteria Matrix that will be used for the Planning Program.

Selection Criteria	Maximum	Threshold Minimum
4. Project Need (Problem Statement)	250	150
5. Project Impact	250	150
6. Project Readiness (Local Effort)	250	150
7. Matching Funds	50	-
8. LMI Benefit	50	-
9. Municipal Equalization Fund (MEF) Score	100	-
10. Bonus Points	50	-
Total	1,000 points	450 points

The above mentioned information is a summary. Additional information on the Planning Program will be made available within the Appendix.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Planning Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

Technical assistance is available from the State during preparation of the application to ensure that the application will meet threshold requirements. Application guidelines are available as a downloadable document on the Department website or may be acquired by contacting the program representative.

Describe how resources will be allocated among funding categories.

\$500,000 in CDBG resources will be available for the CDBG Planning Category.

Describe threshold factors and grant size limits.

Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning Category. The applicant local government in multi-jurisdictional application must also be a direct participant in the study/project. The applicant local government cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that

addresses local recommendations, strategies, or needs as an example. Projects are to be completed within twenty-four (24) months following award. **Funds available at least once yearly**, per the schedule noted within the Appendix.

For 2017, no Preliminary Engineering Reports (PERs) that are prepared in anticipation of WWAC funding will be funded through the CDBG Planning Program. PERs that are needed outside of the WWAC process may be funded.

DTR Phase I (pre-development) projects will also be funded within the Planning Category and not within the DTR Category.

The maximum grant amount for Planning Category activities will be \$40,000 per community/unincorporated county. The maximum grant amount for Planning Category activities will be \$60,000 for multi-community, county-wide, or regional planning projects. Any applications seeking joint/multi-community may be subject to additional requirements. Applicants for such projects should contact the program representative for technical assistance. Planning Category applications that are funded will receive CDBG funds. Applicants are not required to submit an application for the maximum grant amount.

Planning activities require a 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs. General Administration activities may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

Applicants that commit local funds (including "other" funds and or in-kind contributions) to the project's non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix.

Additional threshold factors are required within the Planning Program. This information will be available within the Appendix (www.neded.org/aap).

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.

State Program Name: Public Works (PW)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG funds will be utilized for public works projects. Within the PW Program, CDBG funds will be utilized for and made available under the LMI- National Objective measures. Funds are awarded for: community centers; senior centers exclusively for persons aged 62 and over; nonprofit centers for day care, primary health and mental health clinics; remodel shelter facilities for the homeless (excludes costs for operation); accredited public libraries; fire and/or rescue buildings, including fire trucks; removal of architectural barriers from city/village halls or county courthouses for accessibility; parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); street, curb, gutter, sidewalk, or storm sewer; flood control and drainage; and tornado-safe shelters in manufactured home parks.

For more information see the PW Application Guidelines.

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

Full applications are scored with pre-set categorical criterion as noted below. A scoring team will review the applications independently and then come together to prepare a consensus tabulation.

Below is the Scoring Criteria Matrix that will be utilized within the Public Works Program Category.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	150	75
3. Project Readiness	250	100
4. Citizen Participation	150	50
5. Matching Funds	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
8. Bonus Points	50	-
Total	1,000 points	300 points

Items 1 through 4 include minimum threshold criteria and minimum points must be earned in order to obtain threshold.

A tool will be utilized again this year which replaces the Community Needs Factor (CNF) score that is called the Municipal Equalization Fund (MEF) evaluation criteria. MEF was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska

Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation as one of the scoring categories used to produce points towards the total score of a PW application.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community qualifies for points towards their CDBG Public Works application. If the difference is negative, no points will be awarded under MEF category used for scoring CDBG Public Works applications. Populations, used in the MEF are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

Overall, the information provided above is a summary of the criteria that will be utilized within the PW Program. Further information will be provided within the Appendix (<http://www.opportunity.nebraska.gov/community/grants/documentslibrary-a-forms/annual-action-plan>) and within the CDBG Program Guidelines for this Program.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Public Works Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.opportunity.nebraska.gov/community/community-info/documentslibrary-a-forms/cdbg-forms>

Describe how resources will be allocated among funding categories.

For this Program Year, DED proposes funding public works infrastructure activities/projects with an anticipated \$1,000,000 in CDBG resources. The Public Works award amount is based on beneficiary data of the project area as well as the feasibility and need for the project. It is also anticipated to utilize half of the resources for infrastructure projects and the other half of the resources for facilities projects.

If it is determined there are not enough eligible applications for funding during the first PW round, or in order to meet CDBG Timely Distribution, a second application round may be necessary during the Program Year.

Describe threshold factors and grant size limits.

Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons. Up to \$250,000 in CDBG funds may be awarded per project for project activity, construction management costs, and general administration combined. No more than \$8,000 may be used for construction management, and no more than 10% of the amount of the grant may be used for general administration. The cost per resident beneficiary cannot exceed \$3,000, except for daycare facility projects where the cost per resident beneficiary cannot exceed \$5,000.

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

The State will be able to identify qualified projects in areas that are economically distressed in order to appropriately invest CDBG funds for public works projects that meet the National Objectives described in 24 CFR Part 570.

State Program Name: Tourism Development (TD)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Economic Development Priority Need, CDBG funds will be utilized for tourism development projects, defined as tourist attractions. For the purposes of this section “tourist attractions” include attractions developed by either for-profit or non-profit entities that are either public or private. These tourist attractions must be expected to draw 2,500 visits or more per year from origins of at least 100 miles away. Tourist attractions include sites and facilities that draw visitors from a significant distance away because of their scenic, historic, cultural, scientific, educational, and/or recreational attributes. These projects also serve and provide facilities that service other community and regional activities. Tourism projects generally focus on meeting and improving multi-faceted facilities for assisting in economic development at the local, regional, and statewide levels. Tourist attractions must meet a CDBG National Objective and also a state CDBG priority. A complete list of priorities, along with further information regarding the Tourism Development Program, will be in the Appendix (www.neded.org/aap).

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

Full applications are scored with pre-set categorical criterion containing the following categories: Project Need, Project Impact, Project Readiness, Citizen Participation, Matching Funds, LMI benefit, and MEF. A scoring team will review the applications independently and then come together to prepare a consensus tabulation. A new tool will be utilized which replaces the Community Needs Factor (CNF) score that is called the Municipal Equalization Fund (MEF) evaluation criteria. MEF was created in 1996 as a needs-based method of providing state aid to cities. The program is

administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue's Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation as one of the scoring categories used to produce points towards the total score of a TD application.

Each city's population is multiplied by the average per capita property tax levy for the relevant population group. Then each city's property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city's population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community qualifies for points towards their CDBG Public Works application. If the difference is negative, no points will be awarded under MEF category used for scoring CDBG Public Works applications. Populations, used in the MEF are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

Overall, the information provided above is a summary of the criteria that will be utilized within the TD Program. Further information will be provided within the Appendix (www.neded.org/aap) and within the CDBG Program Guidelines for this Program.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Tourism Development Application Guidelines. The Guidelines will provide specific details on the Application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.neded.org/community/grants/applications/cdbg-forms>

Describe how resources will be allocated among funding categories.

Up to \$700,000 in resources will be made available within the 2017 Program Year for TD projects. These resources are being estimated in a range from \$700,000 to \$0 depending on the number and quality of applications within a given year.

Describe threshold factors and grant size limits.

Each project funded must meet a CDBG National Objective.

All TD projects require a minimum 25% match which must be 3 to 1 (3 CDBG and 1 other resources) match of CDBG funds with funds from other (non-CDBG) sources. At a maximum, no more than one-half of the total project match may be from in-kind source contributions. At a minimum, at least one-

half of the total project match must be non-CDBG cash contributions. General administration activities require no matching funds.

Eligible local governments may individually or jointly apply and receive more than one grant per year in the Tourism Development Category.

Applications for CDBG TD awarded are accepted and considered on an open cycle. TD applications will be accepted beginning in May of 2017. Applications will be submitted as prescribed in the Tourism Development Application Guidelines.

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- Applicant is eligible;
- Activities are eligible and comply with a CDBG National Objective and State CDBG priority;
- Applicant has no significant, unresolved audit finding;
- Applicant has no legal actions underway that may significantly impact its capacity;
- Applicant is following a detailed Citizen Participation Plan and Anti-Displacement Plan; and
- Applicant has adopted an authorizing participation resolution.
- Applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past Awards and have had responses accepted by DED;
- Applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, etc.)

The maximum grant amount is \$350,000 in CDBG funds and the minimum amount is \$50,000 per community/unincorporated county.

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.

State Program Name: Water Wastewater (WW)

Funding Sources: CDBG funds

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG funds will be utilized for water/wastewater projects. Within the WW Program, CDBG funds will be utilized for and made available under the LMI National Objective. WW Program activities that are eligible for funding 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 families. 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.

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

Applicants anticipating the use of federal and/or state administered funds in order to finance water or sanitary sewer improvements must apply with the Water Wastewater Advisory Committee (WWAC). WWAC is made up of several state and federal agencies that include: The Nebraska Department of Economic Development, the Nebraska Department of Environmental Quality, and the Nebraska Department of Health & Human Services, and the U.S. Department of Agriculture. The application process includes submitting the pre-application with information regarding a facility plan (FP) or Preliminary Engineering Report (PER) to one of the WWAC agency partners.

WWAC reviews the project pre-application then advises the applicant which assistance provider(s) can best meet the project funding needs. Project owners may also contact the individual agencies directly without going to the WWAC. It is important to note that the DED relies on the ranking systems in this Intended Use Plan (IUP) as their initial step for determining the eligibility of a community for their grants. Drinking water projects must score a minimum of 85 points and clean water projects must meet a minimum of 55 points as described in the IUP. The community, at that time, is also reviewed to determine whether a CDBG National Objective has been met for the State's CDBG program. If, after a WWAC review, it has been determined that CDBG funds are an appropriate funding source for a community, DED will invite the eligible applicant to apply for a CDBG WW funding.

Once an invitation is extended, the eligible applicant has the option to submit a WW application which includes a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria of applications. This summary is of vital importance to the ability of DED to review an application based on the thresholds set forth in this section. Details can be further provided under the subsequent questions regarding the project need, impact, and national objective. The use of supplemental attachments provided by the applicant may also be submitted to further substantiate the application. Refer to the Appendix for additional details regarding the selection criteria.

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

As noted above within the description of the criteria used to select applications, this information was a summary of the criteria. Complete information regarding the application criteria will be made available within the CDBG Water Wastewater Application Guidelines. The Guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information will be available on the DED website at: <http://www.opportunity.nebraska.gov/community/community-info/documentslibrary-a-forms/cdbg-forms>.

Describe how resources will be allocated among funding categories.

For this Program Year, DED anticipates utilizing \$1,000,000 of funding allocated to this program. The WW award amount is based on beneficiary data of the project area as well as the feasibility and need for the project.

Describe threshold factors and grant size limits.

Each project funded must meet the CDBG National Objective of benefiting low to moderate (LMI) income persons. Up to \$250,000 in CDBG funds may be awarded per project for project activity, construction management costs, and general administration combined. No more than \$8,000 may be used for construction management, and no more than 10% of the amount of the grant may be used for general administration. No more than \$2,000 in CDBG funds per beneficiary of record can be invested in the described project area.

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

DED will be able to identify those water/wastewater project areas that meet a CDBG National Objective and target those projects that are impacting the safety of our citizens. Through a collaborative effort with other funding agencies, DED is better able to leverage CDBG resources in order to obtain maximum impact.

State Program Name: 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 and made available to ELI persons on an area basis. Eligible applicants may submit applications based one of three application types that include:

1. Nebraska will reserve a portion of the State’s annual HTF allocation to affordable rental, multi-family projects in coordination with Nebraska Investment Finance Authority (NIFA) through the joint DED/NIFA application for low income housing tax credit applications within the Collaborative Resource Allocation for Nebraska (CRANE) application cycle. This allocation will be referred to as the “CRANE 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.

2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot 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.

3. 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 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.

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

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 Nebraska 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 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:
 - a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle.
 - 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 NDED 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.

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 affordability period is maintainable.

HTF funds will be awarded to the applicants whose applications are complete, meet all requirements, and score the highest points until all 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.

NDED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the NDED application evaluation determines a proposed project is not financially viable or feasible.

The Nebraska DED 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. The following seven selection criteria, all given equal consideration, will be used to determine HTF allocation of funds, and to evaluate and select HTF applications to be awarded HTF dollars.

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

– Priority based upon geographic diversity: Geographic Diversity Criteria (up to 10 points)

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

CRANE Set Aside

For HTF applicants applying within the CRANE Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycle for CRANE achieves geographic diversity by awarding 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.

– Applicant’s ability to obligate HTF funds: Ability to Obligate Funds Criteria (up to 10 points)

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control.

– Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
 - Timeliness determined through the Threshold Requirements completion
 - Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

– For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so units are affordable to extremely low income families: Project-Based Rental Assistance for ELI Criteria (up to 10 points)

Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also be considered, such as cross-subsidization or operating assistance reserves.

– For rental housing, the duration of the units’ affordability period: Affordability Period Criteria (up to 10 points)

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.

– The merits of the application in meeting the State’s priority housing needs: Priority Housing Needs Criteria (up to 10 points)

HTF applications will be consistent with the State’s Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:

1. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
2. Is the project application promoting housing preservation by improving the quality of Nebraska’s existing affordable housing?
3. Does the project application enhance statewide understanding of fair housing law through outreach and education?

The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.

1. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
2. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?

– The extent to which application makes use of non-federal funding sources: Non-Federal Funding Sources Criteria (up to 10 points)

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

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

Not Applicable.

Describe how resources will be allocated among funding categories.

For the 2017 Program Year, DED anticipates utilizing \$2,700,000 of funding allocated to this

Program.

Describe threshold factors and grant size limits.

Eligible Recipients include: local or regional non profit 501(c)(3) or 501 (c)(4) housing or related service organizations; local units of government; public housing authorities; and State designated Community Housing Development Organizations 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:

- 1) 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;
- 2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- 3) 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
- 4) 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.

HTF funding will be dependent on the type of program in which the applicant applies. For the CRANE Set Aside, up to \$500,000 in HTF funds can be accessed. For the Targeted Needs Set Aside up to \$700,000 in HTF may be accessed, and in the Permanent Housing Set Aside up to \$500,000 can be used within the Omaha Coc; \$500,000 in the Lincoln CoC; and \$500,000 within the Balance of State CoC.

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 times 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits include:

Bedrooms	Section 234 Limit (Elevator) As of 11/18/2015	High Cost %	Maximum HOME Per-Unit Subsidy Limit
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0 Bedroom	\$ 58,378.00	240%	\$ 140,107.20
1 Bedroom	\$ 66,923.00	240%	\$ 160,615.20
2 Bedroom	\$ 81,377.00	240%	\$ 195,304.80
3 Bedroom	\$ 105,276.00	240%	\$ 252,662.40
4 Bedroom	\$ 115,560.00	240%	\$ 277,344.00

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 are existing and an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

See also the HTF Allocation Plan for additional information.

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

It is anticipated that housing units for ELI persons will be created and retained throughout the state and additional permanent supportive housing and special needs housing will be made available.

Discussion:

Community Development Block Grant (CDBG)

Distribution of Other CDBG Funds Remaining Funds

Funds remaining uncommitted and unobligated from prior years' allocations on the acceptance date for the 2017 CDBG Program, from any funding category, will remain in their funding category. If the remaining uncommitted and unobligated funds exceed the total amount of eligible and viable applications in the original funding category, or if funds need to be moved to another category in order for DED to meet timely distribution requirements, the funds may be distributed among any funding category identified in the 2017 Annual Action Plan. Funds for State Administration and Operations and Technical Assistance that are not used in a Program Year may be carried forward to the next Program Year.

Reallocated Funds

Funds reallocated by HUD during 2017 shall be used in conformance with the 2017 CDBG Program Guidelines, unless otherwise specified by HUD

Redistributed Funds

Funds periodically recaptured by DED from grantees including, but not limited to, those that are

recaptured due to: (a) unexpended CDBG funds for approved activities and (b) disallowed expenditures of CDBG funds for unapproved or ineligible activities, will be redistributed according to the prioritization noted below.

The first priority for the redistribution of recaptured CDBG funds is to the Comprehensive Development (CD) Program. The amount redistributed will not exceed the total funds required to fund all eligible and viable projects in the CD Category application cycle.

The second priority for the redistribution of recaptured CDBG funds is to the Downtown Revitalization (DTR) Program of the Community Development Priority Need. Otherwise, funds recaptured from prior CDBG projects will be redistributed in conformance with the 2017 Program that is most similar to the Program from which the original award was made.

Funds recaptured from Economic Development Program grantees may be redistributed to either the Economic Development Program or the Tourism Development Program in conformance with 2017 Program Guidelines, or may be distributed among other funding programs.

Funds recaptured from Public Works; Water/Wastewater; Housing; Comprehensive Development; Planning; and Downtown Revitalization Program grantees will be redistributed in conformance with 2017 Program Guidelines as follows: (1) if there are sufficient funds within 105 days from the date of the 2017 grant awards, the next ranked fundable applicant(s) may be awarded; or (2) if funds are insufficient, these funds, and any other funds recaptured after the 105 day period and prior to the 2017 CDBG application acceptance date, may be redistributed in conformance with the Program Guidelines of any 2017 CDBG Program.

In addition, CDBG funds recaptured from Housing Program grantees (the CDBG OOR Program) may be redistributed for housing activities in the CD Program. In addition, funds recaptured (de-obligated) from HOME and NAHTF grantees may also be redistributed for housing activities within the CD communities.

CDBG Program Income (Economic Development and Housing)

Program income is defined as gross income received by a State, a unit of general local government, or a sub-grantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether or not 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 may use up to 3% of the amount recaptured and reportable to HUD each year for administrative expenses under the Nebraska Community Development Block Grant (CDBG) Program, including amounts recaptured and reported to HUD from and during all open grant years.

There are 2 primary types of CDBG program income that is generated through program-eligible activities and these include Economic Development (ED) program income and Housing program income. ED program income is incurred through ED Program activities as defined within the

Economic Development Program and Housing program income is created through the CDBG OOR Program activities.

Further information regarding CDBG program income is identified within the Appendix (www.neded.org/aap).

AP-35 Projects – (Optional)

Introduction

There are currently no 2017 projects to report at this time as the 2017 Program Year does not begin until July 1, 2017. Funding for CDBG, HOME, HTF, ESG, and HOPWA projects will not be determined until Program-specific applications are received and evaluated, which will occur in 2017.

It is for this reason that the table below is blank as generated by the IDIS system.

#	Project Name

Table 13 – Project Information

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

As projects are funded through CDBG, HOME, HTF, ESG, and HOPWA additional information will be provided within this AP-35 Section.

AP-38 Project Summary (optional)

Project Summary Information

There are currently no 2017 projects to report at this time as the 2017 Program Year does not begin until July 1, 2017. Funding for CDBG, HOME, HTF, ESG, and HOPWA projects will not be determined until Program-specific applications are received and evaluated, which will occur in 2017.

Table 14 – Project Summary

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, the State has no Section 108 Loan Guarantee Program and has no plans to apply for this program in the near future.

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

Describe the State’s Process and Criteria for approving local government revitalization strategies

Annually, the State will review the local revitalization strategies of the CD Program communities. This strategy review includes evaluating the planning process completed during the pre-development phase of the project, and evaluating the proposed activities within the CD Program in order to ensure that these activities meet a CDBG national objective of 1) benefitting low-and-moderate income persons (through the subcategories LMI Area Benefit; LMI Limited Clientele; or LMI Housing); or 2) aiding in the prevention or elimination of slums or blight. Any project or project activity that fails to meet one of these specified national objectives is ineligible.

In 2017 the State of Nebraska will continue to combine the CDBG Comprehensive Revitalization (CR) Program and Comprehensive Investment & Stabilization (CIS) Program into one competitive program called Comprehensive Development (CD). The CD program will be for only those communities that previously received Phase I and Phase II resources including: Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, and York.

Eligible activities for CD will be all public works, water/wastewater, Downtown Revitalization, and housing CDBG priorities. Activities must meet one of 2 CDBG National Objectives of benefiting low to moderate income persons (LMI) or aiding in the prevention or elimination of slums and blight (SBA).

Projects will be carried out in two phases, first a pre-development phase which will result in the completion of a pre-development study that defines a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes.

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.

It is for this reason that the table below is blank as generated by the IDIS system.

Geographic Distribution

Target Area	Percentage of Funds
Statewide	100

Table 15 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

The State of Nebraska will distribute development resources in proportion to the development needs of the state. In general, the Nebraska Department of Economic Development and the Nebraska Department of Health and Human Services will approve funding for development projects which 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. The 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.

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

CRANE Set Aside

For HTF applicants applying within the CRANE Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycle for CRANE achieves geographic diversity by awarding 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). Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. This achieves geographic diversity intrinsically through the incorporation of the three different geographic locations of the Continuum of Care Regions, which are defined through their geographical location in the state of Nebraska. The Lincoln CoC and the Omaha CoC are urban regions located in the Southeast and Northeast regions of Nebraska. The BoS CoC consists of the Panhandle, North Central, Southwest, Southeast, and Northeast CoC Regions of Nebraska

Affordable Housing

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

Introduction

Below is a summary of the one year goals for a number of categories that relate to affordable housing. These one year goals are related to the federal resources provided through CDBG, HOME, HTF, ESG, and HOPWA and also include HSATF projects. These numbers do not include households assisted through NAHTF as this is a State resource and the State is not required to report these numbers within the context of the Annual Action Plan.

One Year Goals for the Number of Households to be Supported	
Homeless	452
Non-Homeless	125
Special-Needs	57
Total	634

Table 16 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	464
The Production of New Units	70
Rehab of Existing Units	80
Acquisition of Existing Units	25
Total	639

Table 17 - 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.

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

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).

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

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).

The production of new units will be completed primarily through HOME resources that will be utilized through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle which utilizes LIHTCs and HOME funds in order to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

The production of additional new units may also be completed with HTF resources that will be utilized through the NIFA/DED CRANE Application Cycle which utilizes LIHTCs and HTF funds in order to provide additional affordable housing for extremely low income persons.

Rehabilitation of existing units will be completed primarily through CDBG resources within the Owner Occupied Rehabilitation Program administered by the Nebraska Affordable Housing Program. Additional rehabilitation activities may occur through the NIFA/DED Low Income Housing Tax Credit (LIHTC) Application Cycle which utilizes LIHTCs and HOME funds in order to provide additional affordable housing. In addition, NAHTF resources may also be used for this activity.

Through the use of a portion of HTF funds, rehabilitation of rental units in order to create additional units for ELI populations will be used in each of the 3 Continuums of Care. This additional safe and affordable housing will help to improve the lives of underserved populations in the state.

The number of households supported through acquisition of existing units will be performed through HOME funding to eligible CHDO organizations in order to meet the HOME regulatory requirement which ensures that at least 15 percent of the HOME allocation is utilized for CHDO activities. It is anticipated with the approximate \$600,000 in HOME funds proposed for 2017, approximately 25 households will be assisted with acquisition, new construction, and rental rehabilitation based on HOME funds and additional resources utilized by eligible CHDOs.

It is anticipated that additional households will be supported through NAHTF projects which will likely include those that involve acquisition of existing units. Specific numbers and estimates regarding NAHTF accomplishments were not available during the development of this Consolidated Plan, as this information is compiled and calculated through a separate NAHTF cycle, but this information will be compiled separately through the implementation of additional housing

programs.

In addition, based on the findings within the “Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska” there is a significant need for the development of additional Permanent Supportive Housing (PSH) throughout the state. Collaboration and partnerships should be developed and evaluated in order to address these continued needs in order to serve persons who are homeless or at risk of homelessness. Through the implementation of the National Housing Trust Fund, additional permanent supportive housing will be created which will serve those persons.

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

Introduction

As the State Department of Economic Development, 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 planned during the next year to address the needs to public housing

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.

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

Not applicable.

Discussion

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.

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

Introduction

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

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 literally homeless in support of reaching the goal of functional zero of homeless individuals in Nebraska. The coordinated entry process, which is being utilized throughout the State, is currently focused on those individuals that have the highest needs in our communities. Most of these individuals are homeless and many are unsheltered. Identifying these individuals has the potential to create 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. In Nebraska, coordinated assessment is being implemented at the individual CoC level. NHAP will continue to require subrecipient participation in coordinated entry and standardized assessment for each program participant that is funded through the CoC and/or NHAP. Presently, providers in the CoCs work closely with other community agencies that encounter unsheltered homeless persons. This includes law enforcement, faith community, and other service agencies.

DHHS is establishing an overreaching goal to challenge each region to include a more comprehensive array of individuals into their local CoC who may have contact with both the sheltered and unsheltered homeless population. These efforts are intended to provide additional outreach to homeless individuals that may not have contact with established homeless assistance programs, building symbiotic relationships in efforts to increase the referral networks with CoC provider agencies when they encounter unsheltered persons in need of assistance.

NHAP also continues to fund Street Outreach programs and/or coordinates NHAP funded activities within agencies who offer Street Outreach programs to provide a support system for those individuals that are literally homeless. As such, a portion of funding is designated to street outreach to identify unsheltered individuals and support them with the services they need to allow them to regain stable housing and secure self-sufficiency. To measure the effectiveness of Nebraska's ability to reduce the number of unsheltered individuals and families and end homelessness, the Homeless Point in Time Count (PIT) will be used. For each Street Outreach program funded by NHAP, performance will be measured based on:

1. An increase in the number of contacts with unduplicated individuals made during outreach.
2. An increase in the percentage of persons placed in permanent housing.
3. An increase in the percentage of persons that increase non-cash benefits at program exit.

Many of the traditional emergency shelters, which serve the literally homeless, are refocusing an allotment of their resources towards developing Rapid Rehousing programs in an effort to move individuals

quickly from literally homeless to housed with sufficient supports in place to promote the participant's success. DHHS is promoting that NHAP subrecipient agencies that do not have the organizational capacity to develop internal Rapid Rehousing programs to coordinate closely with agencies within their communities to promote a seamless transition from literally homeless to being permanently housed in an expedited and human-centered manner.

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 RR and HP 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/or participant need for intensive case management and services prior to independent housing. 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 sees 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 collaborate within their region to provide seamless services from emergency shelter to permanent housing solutions.

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

1. Increased use of bed utilization rate.
2. The average length of stay of the households served decreased from prior year.
3. Increase in the percentage of discharged households to permanent housing.

For NHAP program funded to support Transitional Housing Programs, performance will be measured based on:

1. Increased use of bed utilization rate.
2. Increase in the percentage of discharged households to permanent housing.
3. Increase in the percentage of discharged households with more non-cash benefits.

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 Re-Housing programs towards the end goal ending homelessness in Nebraska. Technical assistance will continue from the State to support the implementation of Outreach and Rapid Re-Housing services through NHAP grant awards towards the end goal of increasing the number of homeless households placed into sustainable permanent housing.

All NHAP subgrantees have the expectation that they will participate in their local Continuums of Care to coordinate resources to ensure that homeless individuals are identified and provided the appropriate array of services to meet their needs to encourage sustainability. Utilizing the CoC's coordinated entry system allows for standardized assessment to promote placing homeless individuals into appropriate permanent housing and more effectively targets resources to those most in need. Nebraska is utilizing the VI-SPDAT and FAM-SPDAT tool to target the most vulnerable and chronically homeless individuals, youth and families in the State. Higher scores correspond to greater need and are prioritized on the CoC housing waiting list. 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 are experiencing homelessness are served in an efficient manner.

The Coordinated Entry process is currently being expanded for the use of evaluation for the need for services for those individuals who do not present with a high level of needs as is currently targeted through the Coordinated Entry process. Work will continue to have all NHAP funded agencies, including victim service providers, to use the standardized evaluation tool to access for unmet needs and potential permanent housing programs. NHAP will continue to work with the victim service providers and the state-wide Domestic Violence/Sexual Assault Coalition to develop processes that align with the Statewide Coordinated Entry process with special consideration will be provided to protect the confidentiality of individuals utilizing victim services programs.

Over the course of the next year, NHAP will continue monitor the length of time households are homeless through HMIS and then establish targets for agencies to assist households into permanent housing utilizing the "Housing First" model. NHAP will monitor subrecipients continued progress on increasing the number of households being placed in permanent housing and provide technical assistance, resources and supports to agencies to promote ending homelessness in Nebraska. NHAP will continue to coordinate with the Department of Economic Development and other Federal and State agencies to identify where there is a lack of affordable housing and gaps in services across the State.

With the support of housing stability case management and financial assistance services, NHAP will fund subrecipients who will work to help keep recently housed individuals from returning to homelessness. The goal to increase the percentage of discharged households with both more cash (either through public assistance, SSI or employment income) and non-cash benefits should help increase the economic security many individuals and families need to successfully maintain self-sufficient housing.

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 ESG/HSATF which targeted towards homeless prevention. For the 2017-18 grant year, a heavily weighted scoring component will be added to promote collaboration between homeless assistance and mainstream service providers.

Community Action Programs and other non-profits provide wrap-around services to address poverty and NHAP is committed to supporting these efforts. Public benefits such as food stamps (SNAP), TANF, and other benefits offered through DHHS and other community agencies such as Assistance to the Aged, Blind and Disabled programs are just a few examples of services and/or grants distributed state-wide to provide financial assistance to those who are extremely low-income and require assistance in order to stabilize their financial situation to ensure they are able to maintain self-sufficient housing. NHAP's goal to increase the percentage of households with both more cash and/or non-cash benefits for all programs participants will help those low-income families and individuals to decrease the risk of a return to homelessness.

In additional support of these efforts, NHAP currently sets aside a portion of the Homeless Shelter Assistance Trust Fund 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 benefits through the SOAR program through SAMSHA.

The State 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 for 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 and work towards integrating individuals served with mainstream resources and services. NHAP will continue to work and support the CoCs involvement to provide permanent supported housing options for those individuals that are currently homeless through the utilization of the standardized assessment tool and coordinated entry process.

Discussion

See above for additional information.

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 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.

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	40
Tenant-based rental assistance	12
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	0
Total	52

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

Introduction

Below is information on the actions planned for 2017 and some background information on the State's efforts toward reducing barriers to affordable housing.

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

Discussion

The Annual Action Plan regulations require the State to describe the State's actions it plans to take during the next year to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing as identified within MA-40 of the 2015-2019 Consolidated Plan. The State has adopted a strategy to remove or ameliorate barriers to affordable housing as identified within SP- 55 of the 2015-2019 Consolidated Plan. During the 2017 Annual Action Plan year, the following actions are planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing as it relates to utilizing CDBG, HOME, HTF, ESG, HOPWA, HSATF, and NAHTF resources, and these actions include:

Actions related to Tax Policy affecting land and other property

The State will continue to evaluate steps to alleviate the property tax burden that is a barrier to affordable housing. The State has previously reviewed the tax structure as it relates to school districts, but will also review other areas of the tax policy that may be revised which reduce property taxes for Nebraskans.

In addition, the State will continue to review the tax policies affecting affordable housing and evaluate the impacts of the new legislation under LB356 which revised the method for appraisals made on low income housing tax credit projects that was passed in 2015. The State will review whether the income-approach calculation will reduce the overall taxes on these properties that utilize low income housing tax credits (LIHTCs) and often times also use HOME or NAHTF resources.

Actions related to Land Use Controls and Zoning Ordinances

The State, because it has very limited influence on land use controls and zoning ordinances, will continue to work with local governments to utilize good practices in ensuring the local land use controls and zoning ordinances do not negatively impact affordable housing development, thus removing an additional barrier to affordable housing. One way in which the State will accomplish this is to continue its collaboration with the Nebraska Chapter of the American Planning Association through its participation at the Nebraska Planning and Zoning Association (NPZA) Conference and other planning and zoning related events. Continued collaboration and educational outreach will assist in these efforts.

Actions related to Building Codes

The State will continue to work with local governments in ensuring that any building codes enacted at the local level do not have a negative impact on affordable housing. Efforts are needed to ensure that local building codes do not hamper additional investment for affordable housing throughout the state. The State will accomplish this through collaborating with community and county officials in educating them on the use of solid building code policy that will focus on ensuring safe and decent housing for individuals, including low income persons, but at the same time implementing policies such as energy efficiency, into the codes.

In addition, the State Department of Economic Development will continue to collaborate with the Nebraska Department of Energy in ensuring that affordable housing projects meet the property code standards within their developments.

Actions related to Growth Limits

The State, because it has very limited influence on communities utilizing regulatory barriers which place limits on the number of market rate, rental, and affordable housing that may be located within a given area, will continue to work with local governments in education and utilization of good practices in reducing the negative impacts of growth limits within communities. Education and outreach can be important tools in showing that mixed income developments (both market rate and rent-restricted units) are not harmful to communities, but can create benefits through the income diversity within a community. The State will continue its outreach which would assist in reducing any negative impacts that growth limits may have on affordable housing.

Actions related to Policies Impact Return on Residential Investment

Because the State does not have control of the amount of residential return on investment, as this is determined at the local level when a property is sold or when it is rented, the State has limited actions it can take to create more favorable policies that may impact return on residential investment. The State hopes that through education and outreach with affordable housing providers that a reasonable return on investment can be obtained within the development of affordable housing projects, which will help in reducing the negative impacts a limited return on investment may have on housing development. The State will continue to work with local governments, housing providers, housing developers, and other affordable housing entities in order to help assist in the creation of favorable policies that improve return on residential investment and that will reduce the negative impacts on policies related to this issue.

Actions related to other effects of public policy on affordable housing and residential investment

The State will continue to evaluate additional barriers or constraints to the development of affordable housing that include: lack of housing contractors throughout the state; housing construction costs (including labor and materials); residential home values in certain markets; lack of sufficient rental units in some communities; lack of residential units for homebuyers (both low income and market rate) in many communities; lack of infrastructure for development, and ; insufficient establishment and enforcement of building codes. Policies related to these must be evaluated as these barriers negatively affect both the private and public sectors in ensuring that proper affordable housing and residential investment is made available within communities

throughout the state.

The State will continue to evaluate policies that can be implemented which will work to attract additional residential contractors, particularly those that are willing to construct moderate priced homes in communities. The State will review whether or not there may be policy incentives implemented into State housing programs that may include: providing zero interest loans to contractors to build residential units; providing low priced or free residential lots for development; and also to provide additional points in housing applications for those applicants that compile lists of interested contractors that may work on projects if applications are funded. This approach could also be implemented at the local level and through education and outreach the State could help influence good decision making and policies that would work toward attracting more residential contractors in many underserved markets throughout the state.

The State will also continue to work with developers and contractors to identify any cost saving measures that might be appropriate to implement in order to save on the cost of materials and labor. Policies related to construction cost savings measures could be evaluated which could include increased collaboration between communities and affordable housing providers that utilize job training in their construction practices and thus are able to provide reduced price homes in communities.

Overall, the State will continue to evaluate public policy that may impact the value of residential units in certain markets; the lack of residential units; ways in which to improve residential infrastructure; and code enforcement assistance. All these items will move towards reducing additional barriers to affordable housing.

The National Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to remove/ameliorate barriers to affordable housing and increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families. Nebraska will use the HTF funding for affordable housing projects through three set-aside programs which will assist to ameliorate barriers to affordable housing for extremely low-income citizens.

The first set-aside program is the CRANE Set-Aside Program. The State will remove barriers to affordable housing for ELI populations by coordinating joint applications for low income housing tax credit applications with the Nebraska Investment Finance Authority (NIFA). The second set-aside program is the Targeted Needs Set-Aside. It will be used for projects that focus on targeted / special needs housing projects that do not use any low-income housing tax credit resources. This will assist in the amelioration of the barrier of the shortage of housing for ELI populations with targeted needs. The third set-aside is the Permanent Housing Set-Aside Program, which will remove barriers to affordable housing by funding permanent housing projects for the ELI population that is homeless, at risk of homelessness, and other special needs ELI populations. All three set-asides are able to provide funds to projects that acquire, rehabilitate, and resell existing residential units, rehabilitate residential units for the creation of new permanent housing units, rehabilitate existing housing units, or construct new rental units for ELI citizens in general, including those who are homeless, have special or targeted needs, or are at risk of becoming homeless. All projects eligible under the set-asides will assist in ameliorating the barrier of a lack of rental housing for the ELI population, and if available funds under any one of the set-aside programs are not fully

utilized then those funds may be used for any projects under the other two set-aside programs.

AP-85 Other Actions – 91.320(j)

Introduction

The following are actions planned throughout the course of the Consolidated Plan period (2015-2019).

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 Programs and funded under the State's Nebraska Affordable Housing Trust Fund (NAHTF) and Nebraska Homeless Shelter Assistance Trust Fund (HSATF) will address obstacles to meeting underserved needs. The State will identify and respond to underserved needs as they arise from self-evaluation and citizen participation.

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 down payment assistance; providing owner occupied rehabilitation (OOR) activities, and other housing activities. These actions will be funded through HOME, for rental housing development and activities related to CHDOs; through CDBG, for OOR, and through the NAHTF, for rental development, homeownership activities, OOR, and non-profit operating assistance. In addition, HTF resources will be used for creating and maintaining rental units throughout the state to serve extremely low income persons.

Actions planned to reduce lead-based paint hazards

The State is committed to reducing lead based paint hazards. DED and DHHS will continue its efforts to educate CDBG, HOME, HTF, ESG, and HOPWA recipients on the dangers of lead-based paint, as appropriate. In addition, DED ensures that any Housing Program Guidelines contain information on the requirements for lead-based paint work practices and the requirement to have properly trained staff in order to properly mitigate lead-paint hazards as necessary.

The Nebraska Department of Health and Human Services (DHHS), through the Division of Public Health's Lead-Based Paint Program, will coordinate with DED for training, education, and other resources related to lead based paint hazards, and will require that grantees and sub-grantees utilize staff and contractors that have the appropriate training and certification.

Actions planned to reduce the number of poverty-level families

Many agencies throughout Nebraska actively pursue the elimination of poverty. The role that DED and DHHS perform in this overall endeavor is to foster and promote self-sufficiency and

independence. To better empower individuals and families toward self-sufficiency and independence funds through CDBG, HOME, HTF, ESG, and HOPWA may be used and the following strategies will be put to work:

- Promote sustainable economic development through affordable housing and other community development activities;
- Evaluate projects, in part, on the basis of their ability to foster self-sufficiency when awarding funding for projects;
- Maintain a strong relationship with the Continuum of Care system in order to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations;
- Explore partnership opportunities with other agencies that provide a range of services and activities that have a measurable, and potentially major impact, on the causes of poverty in their communities; and
- Enhance efforts to educate the public and interested persons about available supportive services that foster self-sufficiency and independent living arrangements.

Actions planned to develop institutional structure

The State is committed to improving institutional structures. The institutional structure for the CDBG, HOME, HTF, ESG, and HOPWA Programs is composed of DED, DHHS, local governments, nonprofit organizations, and private industry. It is essential that these entities efficiently work together. The 2015-2019 Consolidated Plan focuses on improving institutional structure through coordination. Some examples include within the rental housing program (through the collaboration between NIFA and DED) and within the water/wastewater program (through the collaboration between DED and the WWAC).

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

DED will continue to coordinate with public partners in the Affordable Housing Agency Committee (AHAC) process which includes regularly scheduled meetings with the Nebraska Investment Finance Authority (NIFA), the USDA, the City of Omaha, the State Historic Preservation Office (SHPO), and any other interested parties in order to discuss current projects and methods to coordinate efforts throughout the state.

In addition, DED works with NIFA through providing technical assistance and financing resources in the NIFA-led Collaborative Resource Allocation in Nebraska (CRANE) process which works at developing housing projects that impact special needs and other underserved populations.

DED also coordinates regularly with the Nebraska Commission on Housing and Homelessness (NCHH) and is represented on various social service state advisory groups to ensure housing services are coordinated with social services for needy populations in Nebraska.

The Nebraska Homeless Assistance Program (NHAP) is housed within the infrastructure of the Department of Health and Human Services. Being part of this collective organization, which includes Behavioral Health, Developmental Disabilities, Medicaid, Public Health and Veteran's Homes, allows

for continued collaboration and coordination across the various disciplines in support of the delivery of housing and supportive service needs. At the local level, the BOS works proactively with regional CoC partners. CoC partners engage various public and private nonprofit organizations, such as local Housing Authorities, Veterans Administration, Employment First, and SNAP to ensure that efficient and effective coordination of services exists between affordable housing and social services.

Through the implementation of the National Housing Trust Fund, additional collaboration will be completed with DED, DHHS, Housing Authorities, and homeless service providers in order to work at providing housing for extremely low income persons throughout the state.

Discussion

Through the above identified actions the State will continue to address these various issues and is committed to addressing these issues throughout the implementation of the 2015-2019 Consolidated Plan.

Program Specific

Requirements AP-90 Program Specific Requirements –

91.320(k)(1,2,3)

Introduction

Activities planned utilizing the CDBG funds expected to be available during the year are identified within the Method of Distribution. The following information identifies program income that may be available for use that would be included in additional projects that would be carried out.

Community Development Block Grant Program (CDBG) Reference 24 CFR

91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

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	\$2,000,000
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:	\$2,000,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70%

**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:

The State of Nebraska will not use HOME funds beyond those identified in Section 92.205.

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:

The Appendix to the Annual Action Plan contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: www.neded.org/aap.

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 Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: www.neded.org/aap.

Use of Recapture Provisions for HOME-Funded Projects

The Appendix to the Consolidated Plan/AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: www.neded.org/aap.

Additional recapture provisions to be established in the DED Grantee homebuyer guidelines

The DED grantee must adopt the HOME Recapture & Resale provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines.

The Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: www.neded.org/aap.

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 Appendix to the AAP contains the full language of the resale and recapture provisions for the HOME program. This information is also available on the DED website at: www.neded.org/aap.

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:

The State of Nebraska does not have any plans to use HOME funds to refinance any existing debt secured by multifamily housing that is rehabilitated with HOME funds.

**Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

Note: ESG standards are a Living document and as such, will be revisited, edited and updated as needed. Any revisions made to this document will be posted on the NHAP website at: http://dhhs.ne.gov/children_family_services/Documents/ESG%20Standards%20-%20final.pdf

See the attached ESG Standards found within the Appendix (www.neded.org/aap).

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 CoC is in the process of implementing a coordinated assessment system. The HMIS lead received funding through a HUD award to develop and implement the system. This system will implement a 'no-wrong door' Nebraska-wide approach, that will include initial telephone screening; walk in access through partner agencies statewide, and will be publicized through PSAs and through CAP agencies. The initial assessment will determine whether the household can be diverted from shelter; if not an assessment will be conducted using the VI and FAM SPDAT assessments to prioritize placement in PSH or RRH. Program eligibility minimums will be examined and most appropriate referral programs identified through eligibility module in HMIS. Referrals will be made to programs with available resources and appropriate services to end homelessness for the household.

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).

In order to reduce NHAP grant management and administrative burden, NHAP adopted a two-year funding cycle. The first year of this two-year grant cycle involves a competitive application process that is open to any eligible applicant. The second year is a renewal application process and is open only to existing recipients in good standing.

To be eligible to apply for NHAP funding, applicants must:

- (a) Have at least two years of experience successfully providing services which address the purpose of NHAP, as previously described;
- (b) Identify there is a need for the proposed services;
- (c) Provide evidence of participation in their Continuum of Care;
- (d) Obtain Continuum of Care approval for the proposed services identified in their application and provide documentation of such approval;
- (e) Be exempt from taxation under section 501(c)3 of the Internal Revenue of 1986 or represent a number of eligible applicants;

(f)) Not discriminate based on age, religion, sex, race, color, disability or national origin;

(g) Provide:

i. Residential housing for at least eight hours of every twenty-four hour period, as defined by the state and federal rules and regulations governing HUD's Emergency Solutions Grant (ESG) program and/or Nebraska's Homeless Shelter Assistance Trust Fund (HSATF); and

ii. . Homelessness prevention, rapid rehousing, street outreach and/or shelter services for individuals and/or families who are homeless or at risk of homelessness in compliance with the state and federal rules and regulations governing HUD's Emergency Solutions Grant (ESG) program and/or Nebraska's Homeless Shelter Assistance Trust Fund (HSATF);

(h) Operate a drug-free premise;

(i) Agree to participate in any count of homeless individuals and/or families and housing inventory undertaken by DHHS or their designee;

(j) Agree to comply with the written ESG standards approved by the Balance of State Continuum of Care and found on the NHAP website at:

http://dhhs.ne.gov/children_family_services/Pages/fia_nhap_history_of_nh_ap.aspx

(k) Agree to participate in NHAP's HMIS database by entering data on all persons served and all NHAP-funded activities, with the exception victim or legal service providers who agree to submit annual aggregate data reports;

(l) If requesting funding for homeless prevention and/or rapid rehousing services, agree to assess client eligibility and obtain the necessary documentation to verify the client, the payment/service provided and the housing unit meet HUD's ESG requirements at 24 CFR 576. See also http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title24/24cfr576_main_02.tpl

(m) If requesting funding for shelter services, agree to maintain shelter facility in compliance with HUD's minimum standards at 24 CFR 576.403.

(n) Conduct and submit an annual, certified, external financial audit/financial report for the year immediately preceding the application; and

(o) Submit a correctly completed application, including all the attachments, by the deadline previously specified.

(p) Assume responsibility for having knowledge of and the ability and intent to comply with federal and state Emergency Solutions grant (ESG) and state Homeless Shelter Assistance Trust Fund (HSATF) requirements.

(q)) ESG funds are not intended for start-up of new homeless service providers or programs, and duplicative service and program efforts should be avoided. First time applicants are expected to have homeless programs established and be active participants in their local CoC prior to participating in the ESG application process.

During a competitive year, funding priorities for eligible applicants will be based on the following factors:

- Availability of ESG and HSATF funding;
- Current and proposed performance:
- Need for proposed service (i.e., if project was discontinued or not funded, would it create a substantial and recognizable gap in services);
- Applicant's experience including the following:

- Agency history and mission;
- Provision of services to individuals and families experiencing, or at risk of experiencing, homelessness;
- Work with federal grant programs;
- Participation and leadership role in local, regional and/or state CoC;
- Participation and leadership role in special events/projects related to ending and/or preventing homelessness and/or promoting self-sufficiency (e.g., Project Homeless Connect, Stand Down); and
- Verification of CoC attendance.
- Applicant's strategies for:
 - Ensuring compliance with this and other grant-funded programs;
 - Monitoring and improving the accuracy and quality of program data;
 - Supporting and improving program participant self-sufficiency;
 - Coordinating services with mainstream service and housing providers;
 - Connecting program participants with mainstream services; and
 - Maintaining/attaining fiscal stability.
- Approval of applicant's project by relevant CoC;
- Quality of application, budget, budget narrative and personnel narrative.

An allocation formula is used in distributing NHAP grant funds. 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 NOFA pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee.

The following NHAP plan was developed in consultation with Nebraska's Continua of Care: 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, all other regions shall be limited to no more than the specific percentage increase that allows all regions to remain level or have an increase.

If ESG funding is less than anticipated, regional allocations shall be reduced by the same percent.

If ESG funding exceeds what is anticipated, regional allocations shall either be enhanced by the same percentage, an additional amount of HSATF shall be added to the Special Needs funding or a combination of both. Nebraska's CoCs shall be consulted in making this determination.

ESG Funding allocations for Street Outreach and Emergency Shelter services are not allowed to go over 60 percent of the total ESG award.

Applications for the competitive grant process are reviewed by teams composed of representatives of the governor-appointed Nebraska Commission on Housing and

Homelessness; State, Regional or Local Continuum of Care Committees; Department of Health and Human Services; and/or other agencies or organizations with experience in service delivery to those experiencing, or at risk of experiencing homelessness. NHAP will facilitate the review process.

Using the criteria performance criteria identified, which were developed based on input from the Continuums of Care via electronic survey, the grant review teams assigns points to each application, up to a maximum total of 100 points, and provides recommendations on funding to NHAP.

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 the Board or actively consult with them regarding ESG policies, funding and activities. During on-site monitoring visits conducted by the State, NHAP sub-recipients are required to be able to demonstrate this assurance is being met.

5. Describe performance standards for evaluating ESG.

The primary goals the State strives NHAP sub-recipients to achieve include reducing the length of homelessness, reducing returns to homelessness and maintaining/increasing income.

Through a performance report card with performance metrics that has been established by the BoS CoC, performance on these goals can be measured. Currently a report is issued through HMIS and distributed bi-annually to all CoC and ESG grantees. The state will be moving to adopt and incorporate these performance measurements as an evaluation component of how successful NHAP sub-recipients are at reaching and achieving program standards. The performance measurements will also be used to increase housing stability.

Part of the performance measures specifically relates to housing stability. 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 homelessness gain stable housing. See also Performance Measures Section within the Appendix (www.neded.org/aap).

Discussion

See above for additional information.

STATE OF NEBRASKA

2017

Annual Action Plan

Appendix

DEPARTMENT OF ECONOMIC DEVELOPMENT

DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

Housing, Community Development, & Economic Development Programs



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Homeless Services & HOPWA Services Programs



Effective July 1, 2017 - June 30, 2018

Table of Contents 2017

AAP Appendix

<u>Section</u>	<u>Page#</u>
Proposed Allocation for 2017 Funds	Appendix--3
Proposed 2017 Distribution	Appendix--4
Application Acceptance Dates	Appendix —5
CDBG Program Income	Appendix —7
HOME Program Additional Information	Appendix —24
Guidelines for Resale or Recapture of HOME Funded Projects	Appendix —25
CDBG Additional Information	Appendix —29
CDBG Owner Occupied Rehab	Appendix —29
Comprehensive Development (CD)	Appendix —33
Public Works (PW)	Appendix —39
Water/Waste Water (W/WW)	Appendix —45
Planning (PP)	Appendix —49
Downtown Revitalization (DTR)	Appendix —55
Economic Development (ED)	Appendix —63
Tourism Development (TD)	Appendix —71
NHAP Additional Information	Appendix —75
HTF Allocation Plan	Appendix —106

ALLOCATION OF 2017 FUNDS

The Annual Action Plan for 2017 summarizes categories and priorities for the distribution of an anticipated \$10 million in Community Development Block Grant (CDBG) funds, \$3 million in HOME program funds, \$941,814 in Emergency Solutions Grant (ESG) funds; and over \$370,412 in Housing Opportunities for Persons with AIDS (HOPWA) funds from the U.S. Department of Housing and Urban Development (authorized under the Housing and Community Development Act of 1974, as amended); \$3 million in Homeless Shelter Assistance Trust Fund (HSATF) funds (this amount is based on revenue projections by the Nebraska Department of Revenue); and \$9.6 million in Nebraska Affordable Housing Trust Fund (NAHTF) funds.

Proposed 2017 Allocation								
	CDBG⁵	NAHTF⁶	HOME	HTF	ESG	HSATF⁷	HOPWA⁸	Total
Distribution¹	\$10,000,000	\$9,150,000	\$2,700,000 (90%)	\$2,700,000 (90%)	\$871,178 (92.5%)	\$2,925,000	\$359,300 (97%)	\$28,705,478
State Admin, Operations,³ & Technical Assistance	\$400,000 ²	\$450,000	\$300,000 (10%)	\$300,000 (10%)	\$70,636 (7.5%)	\$75,000	\$11,112 (3%)	\$1,606,748
Total 2017 Allocation⁴	\$10,400,000	\$9,600,000	\$3,000,000	\$3,000,000	\$941,814	\$3,000,000	\$370,412	\$30,312,226

¹ Funds available for distribution to eligible program applicants and local governments.

² Dollar amount reserved for state administration and technical assistance may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations.

³ State recipients and sub-recipients may also receive administrative funds.

⁴ Includes all distribution, state administration, and technical assistance available from 2017 CDBG, NAHTF, HOME, HOPWA, ESG, and HSATF programs (does not include reallocated funds).

⁵ \$300,000 will be provided by DED as match to the CDBG administration allocation. This amount fulfills the matching requirements of the CDBG Program. This amount will ensure that the State's matching cost contribution is at least equal to the amount of CDBG funds in excess of \$100,000 expended for administration.

⁶ A minimum of \$675,000 of the NAHTF allocation will be committed as HOME Match to meet the 25% HOME Match requirement for the \$2,700,000 in non-administration funds.

⁷ The HSATF allocation of \$3,000,000 surpasses the ESG Program dollar-for-dollar matching requirement (and represents aid and administration).

⁸ Includes an estimated \$18,988 in administrative expenses to Nebraska AIDS Project (HOPWA Project Sponsor).

Proposed 2017 Categorical Distribution

Priority/Category	CDBG	NAHTF	HOME	HTF	ESG	HSATF	HOPWA
Section Three: Housing Affordable Housing Program <ul style="list-style-type: none"> CHDO set-aside 	\$1,500,000	\$9,150,000	\$2,250,000 \$450,000	\$2,700,000			
Section Four: Community Development <ul style="list-style-type: none"> Comprehensive Development Public Works Water Wastewater Planning Downtown Revitalization 	\$2,450,000 \$1,000,000 \$1,000,000 \$500,000 \$1,750,000						
Section Five: Economic Development <ul style="list-style-type: none"> Economic Development Tourism Development 	\$1,100,000 \$700,000						
Section Six: Homeless Services <ul style="list-style-type: none"> Homeless Shelter & Homeless Assistance and Prevention Services 					\$871,178	\$2,925,000	
Section Seven: HOPWA Services <ul style="list-style-type: none"> Housing Opportunities for persons With AIDS 							\$359,300
TOTAL DISTRIBUTION	\$10,000,000	\$9,150,000	\$2,700,000	\$2,700,000	\$871,178	\$2,925,000	\$359,300

Funding resources from CDBG, HOME, ESG, HOPWA, HSATF, and the NAHTF provide opportunities for creating decent, affordable housing and a suitable living environment, and expanding economic opportunity through economic self-sufficiency and quality jobs to Nebraska.

2017 Application Acceptance Dates

Nebraska Department of Economic Development Housing and Community Development Division Programs

Funding Priority/Category	Application Closing
Housing	
Nebraska Affordable Housing Program <ul style="list-style-type: none"> • NAHTF Annual Cycle <ul style="list-style-type: none"> ▪ Pre-application ▪ Full Application • CDBG Owner Occupied Rehabilitation <ul style="list-style-type: none"> ▪ Pre-Application ▪ Full Application ▪ • CHDO Cycle <ul style="list-style-type: none"> ▪ Designation Request ▪ Full Application 	March 3, 2017 April 27, 2017 August 4, 2017 October 6, 2017 August 5, 2017 October 5, 2017
LIHTC Tax Credit Application with NIFA/DED	March 21, 2017 (Round 1) May 30, 2017 (Round2) CRANE Cycle (Ongoing) 4% Credit (Ongoing)
HTF Application Cycles	TBD
Community Development	
Comprehensive Development <ul style="list-style-type: none"> • Phase II Application 	TBD
Public Works <ul style="list-style-type: none"> • Full Application • 2nd Cycle (if needed) 	July 21, 2017 TBD (if needed)
Water Wastewater	Open Cycle, begins May 1, 2017

2016 Application Acceptance Dates (Continued)

Nebraska Department of Economic Development

Community Development Program

Economic Development Program

Nebraska Department of Health and Human Services

Homeless Services Program and HOPWA Program

Funding Priority/Category	Application Closing
Community Development (Continued)	
Downtown Revitalization <ul style="list-style-type: none"> • First Cycle • <ul style="list-style-type: none"> ▪ Phase I Application ▪ Phase II Application (Implementation) • Second Cycle (If Needed) Planning <ul style="list-style-type: none"> • First Cycle • Second Cycle 	See Planning Category Application Cycles TBD TBD (if needed) August 30-September 30, 2017 Beginning November 15, 2017--Ongoing
Economic Development	
Economic Development	Open Cycle (begins May 1, 2017)
Tourism Development	Open Cycle (begins May1, 2017)
Homeless Services	
ESG & HSATF Applications	February 17, 2017
HOPWA	
HOPWA Application	Open Cycle

For additional information please visit the Department's website at <http://www.neded.org> for the most current information regarding the 2016 Community Development & Housing Application Guideline,

CDBG Program Income (Estimated Amount for the State in 2017 - \$2,000,000)

Program income is defined as gross income received by a State, a unit of general local government, or a subgrantee of the unit of general local government that was 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 may use up to 3% of the amount recaptured and reportable to HUD each year for administrative expenses under the Nebraska Community Development Block Grant (CDBG) Program, including amounts recaptured and reported to HUD from and during all open grant years.

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.” [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 or subgrantee of the unit of general local government 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 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, toward a loan from the local government 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 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.

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 is seeking to provide a policy for use of program income that 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.

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. The State is permitted to define "continuing the same project activity."

For the purposes of program income, "continuing the same project activity" will be defined as:

- For local governments with existing program income in an existing Local ED Revolving Loan Fund, or who are currently utilizing the NDO process, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the grantee's new DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- For newly awarded economic development grantees (including those units of general local government awarded new CDBG funds during the current Program Year for new CDBG eligible activities), program income that was generated from the use of CDBG funds for the above mentioned newly awarded activities may be deposited into an existing Local ED Revolving Loan Fund or a new Local ED Revolving Loan Fund. Any program income that is deposited in this manner, continuing the same project activity will include providing assistance to the same business for the same activity for which it was originally funded.
- For newly awarded economic development grantees (including those units of general local government awarded new CDBG funds during the current Program Year for new CDBG eligible activities), program income that was generated from the use of CDBG funds for the above mentioned newly awarded activities may utilize the NDO process. In the instance where the NDO process is utilized, continuing the same project activity will include providing assistance for the same CDBG eligible activities as defined in the grantee's DED-approved Local Program Income Reuse Plan (also known as a Local Reuse Plan).
- For grantees with eligible housing activities under Title I of the Housing and Community Development Act of 1974 (as amended), continuing the same project activity will include activities for owner occupied rehabilitation, down payment assistance, and rental rehabilitation that will meet a national CDBG objective.

The following information pertains specifically to Economic Development Program Income, Housing Program Income, and Other CDBG Program Income.

Program Income and the State's CDBG Revolving Loan Fund

CDBG program income may be retained by local governments, utilized through the NDO process, or returned to the Department of Economic Development. Any CDBG program income that has been returned to the Department is utilized within the State's program income Revolving Loan Fund (also known as the State RLF). The State provides CDBG funds to local governments (in the form of new CDBG projects) for specific eligible CDBG activities that would meet the necessary criteria under the Economic Development Program category.

Funds are awarded to each local government for a specific identified purpose to then either grant funds to a Community-based Development Organization (also known as a Nonprofit Development Organization or NDO) to undertake a project that utilizes a business loan consistent with the Community Development Act Section 105(a) (15) requirements or for a community to provide a loan to a business.

In both instances mentioned above, projects funded within the State RLF must meet CDBG requirements that include meeting one of the CDBG National Objectives that include: benefiting low-to-moderate income ("LMI") persons; addressing the prevention of, or elimination of, slum and blight areas ("SBA"); or Urgent Need.

When a community applies for ED resources, the Department will determine whether or not CDBG funds from the Annual Allocation or the State RLF are appropriate for the project.

In general, when the community is requesting ED resources for the purposes of infrastructure development then those projects would be funded through the Annual Allocation, if funds are available. Projects for infrastructure development include both public infrastructure (i.e. activities for community owned or controlled infrastructure) and also for private infrastructure (i.e. streets, and other infrastructure improvements located on privately owned property). Infrastructure projects provide resources which are generally grants to the community with no pay back if CDBG requirements are met.

If funds are expended from the Annual Allocation for the ED Category, additional resources may be used from the State RLF to fund additional infrastructure projects.

Other non-infrastructure related projects will be funded through the State RLF.

Overall, when an Economic Development project includes non-infrastructure related activities that utilize a business loan consistent with the Community Development Act (as mentioned above), or a direct loan to a business by a community, then the State RLF will be used. When an ED project includes infrastructure related activities that do not utilize business loans consistent with the Community Development Act (as mentioned above), or do not use direct loan to businesses by a community, then the Annual Allocation will be used.

The above mentioned process is consistent with the CDBG requirements of 24 CFR 570.489(f) (2).

The Department has the ability to utilize State CDBG RLF resources for other CDBG related activities as may be appropriate. This may include, but is not limited to, providing additional resources under the Downtown Revitalization (DTR) or Comprehensive Development (CD) Categories in order to further assist businesses and communities. State RLF resources would only be used to supplement a CDBG projects and are not intended to replace Annual Allocation activities or awards. Specific and clearly defined activities would be identified in the community's grant agreement.

Economic Development Program Income and Units of General Local Government

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

- 1) Returning the program income funds to DED;
- 2) Using the program income within an existing Local ED Revolving Loan Fund;
- 3) Establishing a Local ED Revolving Loan Fund; or
- 4) Utilizing the NDO process.

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

Returning the program income funds to DED

Units of general local government may return the program income they receive to DED. The process for returning program income funds includes: 1) 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 2) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG funds that the community is returning. Any future program income payments a community may receive, and will be returning to the Department, should be collected by the unit of local government and those funds should be returned to the Department once there is a reasonable balance (i.e. returned every six months, or every year, depending on whether or not there is a reasonable balance).

If a unit of local government wishes to return program income that is in an Existing Local ED Revolving Loan Fund, and wishes to discontinue the Local ED Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community's Local ED Revolving Loan Fund and that the local government is discontinuing the Local ED RLF;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to DED.

If a unit of local government wishes to return program income that is in an Existing Local ED Revolving Loan Fund, but wishes to continue to operate the Local ED Revolving Loan Fund, then the

process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community's Local ED Revolving Loan Fund;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the "Nebraska Department of Economic Development" to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive would be deposited in the Existing Local ED Revolving Loan Fund.

Using the program income within an 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 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 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 detailed description of the unit of local government;
 - A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
 - 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";
 - 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) The Local Reuse Plan must be approved by DED and, upon approval, DED will enter into a contract with each local government to operate the Local ED Revolving Loan Fund. The contract will include a process for compliance monitoring and closeout of the Local ED Revolving Loan Fund. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, job creation information and final financial reports.

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

Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.

In no case shall a Local ED RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.

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 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 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 semi-annual 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 the 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 requirements for “Returning the program income funds to DED” as noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED Revolving Loan Fund. The State will review loans from previous Program Years. The monitoring visits 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 appropriate for the specific compliance issues discovered.

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 unit of 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 detailed description of the unit of local government;
 - A description of who will administer the Local ED RLF, and certify that the entity administering the Local ED RLF has CDBG Certified Administrators;
 - 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”;
 - 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) The Local Reuse Plan must be approved by DED. This Local Reuse Plan must be made using a DED-approved form within 90 calendar days from the date of the local government's Notice of Approval letter. If the local government's Local Reuse Plan is not submitted to DED within the 90-day period, DED will require all program income be returned to the State.

DED must approve this Local Reuse Plan and, upon approval, will enter into a contract with each local government to operate the Local ED Revolving Loan Fund. The contract will include a process for compliance monitoring and closeout of the Local ED Revolving Loan Fund. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, job creation information and final financial reports.

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

Funds in a Local ED Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.

In no case shall a Local ED RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.

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 semi-annual 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 the 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.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED Revolving Loan Fund. The State will review loans from previous Program Years. The monitoring visits 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 appropriate for the specific compliance issues discovered.

Utilizing the NDO process

A unit of general local government may seek to form a sub-grantee relationship with a local nonprofit organization to carry out the CDBG activities on behalf of the local government. The local government funded by the State for an ED project, or a local government with an existing Local ED RLF, would grant the CDBG funds awarded to a Nonprofit Development Organization (NDO), such as a community development organization or a local economic development corporation. The NDO must be recognized (through an application process) by the State according to the requirements of 24 CFR 570.204 to carry out funded activities through a contract with the local government grantee for activities in which it retains a direct and controlling involvement and responsibilities for the provision of financial assistance to the community’s ED project.

The activity carried out by the NDO must meet the requirements of Section 105 (a)(15) of the Housing and Community Development Act (HCDA). Section 105 (a)(15) provides the provision, which allows as eligible assistance to neighborhood based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization and community economic development projects.

The NDO process includes, but is not limited to, the following:

- The local government, which is a recipient of State CDBG funds, seeks to make a loan to a for-profit business for economic development activities in accordance with the State’s program requirements.
- The local government executes an agreement with the NDO, which executes the loan agreement for the CDBG funds loaned to the for-profit business. The NDO, the local nonprofit organization, would use the repayment of the funds from the for-profit business to make additional loans, such as for economic development activities.
- The repayment of the CDBG loan is made to the NDO, and not to the local government, and the NDO retains the payments for future use through a Revolving Loan Fund (RLF), which includes a NDO Reuse Plan approved by DED through the NDO designation application process. The approved NDO Reuse Plan must ensure that activities funded by the RLF meet broad based economic development investments. The funds repaid to the NDO to continue economic development activities would not be considered program income, provided the business achieve the national

objective..

- The NDO reinvests in the community through its established RLF, which can fund additional loans in the service area of the NDO.

For new CDBG Economic Development grants, the local government grantee and the NDO would submit a proposal to the State authorizing the approval of an arrangement between the local government and the NDO for the NDO to carry out the funded activities on behalf of the local government and for repayments to go to the NDO's RLF. The designated NDO must have already received approval from DED and will have a NDO Reuse Plan in place.

As an example of this process, the NDO would carry out the activities of the grant awarded to the local government for assistance to the for-profit business. During this period, the local government would ensure that all CDBG rules and regulations were followed for this initial loan. The repayments from the business to the NDO's RLF would not be considered program income, provided the business achieve the national objective. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the NDO Reuse Plan. Funds would be reinvested in broad based economic development activities.

Local governments currently operating a Local ED Revolving Loan Fund (RLF) may choose to enter into an agreement with a designated NDO to carry out activities with the Local ED Revolving Loan Fund. The NDO must be designated by DED with a NDO Reuse Plan. The NDO must also include the local government in its service area. Once the funds are repaid to the NDO, and provided the business achieve the national objective, the funds would no longer be subject to the CDBG federal rules and regulations, providing a pool of Revolving Loan Fund dollars subject only to the requirements of the NDO Reuse Plan.

It will be the responsibility of the local government, in coordination with the NDO, to determine the entity responsible for carrying out the activities of the ED project and the entity who will be responsible for administering the project. In some instances, there may be one entity carrying out the project activities and a separate entity administering the grant. Grant administration and carrying out CDBG activities on behalf of the local government grantee are two separate activities.

Housing Program Income

The unit of general local government 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 for CDBG eligible housing related activities;
- 3) Using the program income within an existing Local Housing Revolving Loan Fund; or
- 4) Establishing a Local Housing Revolving Loan Fund.

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 the program income funds to DED

Units of general local government may return the program income they receive to DED. The process for returning program income funds includes: 1) 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 2) sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG funds that the community is returning. Any future program income payments a community may receive, and will be returning to the Department, should be collected by the unit of local government and those funds should be returned to the Department once there is a reasonable balance (i.e. returned every six months, or every year, depending on whether or not there is a reasonable balance).

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

- 1) sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing Revolving Loan Fund and that the local government is discontinuing the Local Housing RLF;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive that were intended to be deposited would also be returned to DED.

If a unit of local government wishes to return program income that is in an Existing Local Housing Revolving Loan Fund, but wishes to continue to operate the Local Housing Revolving Loan Fund, then the process for returning program income funds includes:

- 1) sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing Revolving Loan Fund;
- 2) information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.);
- 3) sending a check payable to the “Nebraska Department of Economic Development” to the Department for the amount of CDBG program income funds that the community is returning; and
- 4) Any subsequent program income payments that the local government may receive would be deposited in the Existing Local Housing Revolving Loan Fund.

Retaining the program income and using it for CDBG eligible housing related activities

In order to retain CDBG program income that is not in an existing Local Housing RLF, 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 the Department.

At any time during the contract period, a local government will have the option to discontinue utilizing the housing program income and return it to the Department. DED will apply the funds to the State

CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

Local program income funds are federal and are subject to all applicable CDBG rules and regulations.

In no case shall a local government's program income account have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.

The local government will be responsible for reporting housing program income to the Department twice a year (July and December) and these reports will be reviewed by Department staff.

If at the end of the calendar year in which the unit of local government has reported, the total balance of the Local CDBG Program Income Account is \$35,000 or less, these funds will no longer be considered program income, and will no longer require any additional reporting to the Department.

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 CDBG Program Income 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 semi-annual reporting includes, but is not limited to, loans made, payments received, housing activities, and amendments to the original loans, as required by the 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 CDBG Program Income 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 CDBG Program Income Account.
- 6) Local governments that are currently utilizing a Local CDBG Program Income Account and choose to discontinue the operation of that Local Account can return the funds to DED by following the above requirements for "Returning the program income funds to DED" noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to utilize a Local CDBG Program Income Account. The State will review project activities from previous Program Years. The monitoring visits 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 appropriate for the specific compliance issues discovered.

Using the program income within an 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 detailed description of the unit of local government;
 - A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
 - 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”;
 - 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) The Local Reuse Plan must be approved by DED and, upon approval, will enter into a contract with each local government to operate the Local Housing Revolving Loan Fund. The contract will include: a requirement for the local government to develop program guidelines specific to the CDBG eligible activities that will be undertaken with the program income funds; and a process for compliance monitoring and closeout of the Local Housing RLF. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, housing activity information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

Funds in a Local Housing Revolving Loan Fund are federal and are subject to all applicable CDBG rules and regulations.

In no case shall a Local Housing RLF have a balance that exceeds \$750,000. Any amount in excess of \$750,000 shall be returned to the State.

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 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 semi-annual reporting includes, but is not limited to, loans made, payments received, activities completed, and amendments to the original loan, as required by the 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.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local Housing Revolving Loan Fund. The State will review project activities from previous Program Years. The monitoring visits 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 appropriate for the specific compliance issues discovered.

Establishing a Local Housing Revolving Loan Fund

In order to retain CDBG program income, the local government may choose to establish a 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 establish a 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 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 detailed description of the unit of local government;
 - A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
 - 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”;
 - 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) The Local Reuse Plan must be approved by DED and must be made using a DED- approved form within 90 calendar days from the date of the local government's Notice of Approval letter. If the local government's Local Reuse Plan is not submitted to DED within the 90-day period, DED will require all program income be returned to the State.

Upon approval of the Local Reuse Plan, DED will enter into a contract with each local government to operate the Local Housing Revolving Loan Fund. The contract will include: a requirement for the local government to develop program guidelines specific to the CDBG eligible activities that will be undertaken with the program income funds and will include a process for compliance monitoring and closeout of the Local Housing RLF. Monitoring will occur at least one time during the contract period. Closeout of the contract will require the local government to clear any monitoring findings and submit final reports, including, but not limited to, housing activity information and final financial reports.

At any time during the contract period, local governments will have the option to discontinue operating the Local Housing Revolving Loan Fund and return the program income funds to the DED. DED will apply the funds to the State CDBG Economic Development Revolving Loan Fund (also known as the State Revolving Loan Fund).

Discontinuation of Regional CDBG Housing Revolving Loan Funds

Due to the changes within the CDBG regulations, current Regional CDBG Housing Revolving Loan Funds will no longer be permitted to assist communities throughout a given region. This information was provided within the 2014 Annual Action Plan (See Section 2-18 of 2014 AAP) and continues to be applicable within the 2016 Proposed Annual Action Plan.

The CDBG Housing RLF Administrators who are currently operating these Regional Housing Revolving Loan Funds must work directly with the units of general local government who have previous Housing program income within these Regional RLFs to evaluate the best option for each community on what to do with the community's previous Housing program income that can no longer be utilized through a regional approach.

There are two options available for funds within these Regional Housing RLFs. These include:

- 1) Returning the funds to DED. Program income returned to the State will be committed to the State Revolving Loan Fund and shall be distributed according to the requirements of Title I of the Community and Development Act of 1974 (as amended). For more information, see "Returning the program income funds to DED" above.
- 2) Depositing local funds into a Local Housing Revolving Loan Fund. The Regional RLF Administrator would be required to determine the amount of funds available to each unit of general local government from

the Regional RLF in order for each community to be able to determine whether or not program income funds should be returned to the State or whether those program income funds should be deposited into an existing or newly created Local Housing RLF or whether other options, as noted above, are chosen by the local government. For more information on the choices for local governments' use of their program income see above.

Other CDBG Program Income

Program income generated from other CDBG activities including those under the Community Development Priority, including Comprehensive Revitalization, CIS, Public Works, Water/Wastewater, Planning, and Downtown Revitalization would follow the above mentioned steps with the need for any necessary adjustments related to non-economic development or non-housing activities.

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 those are HOME-eligible activities. This information would be noted within the Grantee's, Department approved, Reuse Plan.

For example, if the Department funds an Owner Occupied Rehab project, and program income is received, the Grantee should use the program income for additional OOR activities or for other housing related activities as identified within the Grantee's Reuse Plan (i.e. down payment assistance, etc.).

Additional information will be provided regarding the HOME 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

Resale provisions ensure that the housing is made available for subsequent sale to a HOME Program eligible buyer and that such buyer will use the property as their principal residence. Resale provisions will be utilized for projects involving development subsidies. A development subsidy is the difference between the cost of developing or producing the housing unit and the market value of the housing unit. A development subsidy does not go directly to the homebuyer; it makes the development of an affordable housing unit more feasible.

Resale provisions will be enforced through imposition of liens (such as mortgages or deeds of trust), deed restrictions, covenants running with the land, or other similar mechanisms. Projects will be monitored for the duration of the affordability period to ensure that the housing is affordable to purchasers subsequent to the original homeowner, that subsequent purchasers are eligible, and that the original HOME-assisted owner receives a fair return on investment.

Any HOME-assisted unit that is resold will be made available to a reasonable range of low-income homebuyers (i.e. 70% to 80% of the Area Median Income) that will use the property as their principal residence and remain in the home for the period of affordability.

Fair return on investment will be calculated for the original HOME-assisted homebuyer upon sale of the HOME-assisted unit to a subsequent homebuyer. DED will not tie fair return on investment to the sales price that a specific, subsequent homebuyer is able to pay. DED will take into account both market appreciation and depreciation. In a depressed or declining market, a loss on investment could constitute a fair return.

Fair return on investment will include:

- 1) the HOME-assisted homebuyer's original investment (i.e. any down payment);
- 2) the value of specific types of capital improvements made by the original homebuyer that may add value to the property. The value of capital improvements will be calculated utilizing the average percent of the cost recouped that a specific type of improvement brings at the time of home sale (i.e. kitchen remodels, basement finishes, additions, etc.) based on industry estimates from the "Cost versus Value Report". The most current value estimates can be found at: <http://www.remodeling.hw.net/cost-vs-value/2016/> and
- 3) the percentage of change as calculated by the Housing Price Index (HPI) Calculator of the Federal Housing Finance Agency. The HPI Calculator is currently located within the Federal Housing Finance Agency website at: <http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx> and projects what a given house purchased at a point in time would be worth today if it appreciated at the average appreciation rate of the homes in the area. The calculation shall be performed for the state of Nebraska or the applicable Metropolitan Statistical Areas and Divisions (MSA/MSAD) where the home is located (the current HPI data for Nebraska's MSA/MSAD include: Grand Island, NE; Lincoln, NE; Omaha- Council Bluffs, NE-IA; and Sioux City, IA-NE-SD). Once the percentage is calculated, that percentage of change in home value will be multiplied by the HOME-assisted homebuyer's original investment (i.e. any down payment) and value of capital improvements to determine what the total "fair return on investment" will be for the original homebuyer.

For example, if a PJ provided HOME funds for the construction of a single-family home unit in 2004 in Norfolk for \$105,000 and the home was sold to a homebuyer who provided \$5,000 in down payment assistance. The homebuyer owned the home for 10 years until 2014, and during that time completed a bathroom remodel at a cost of \$8,000. In order to calculate the fair return on investment it would be necessary to determine the amount of downpayment assistance (\$5,000); the value of the capital improvement ($\$8,000 \times 58\% = \$4,640$); and the percentage of change using the HPI Calculator.

For purposes of using the Federal Housing Finance Agency's HPI Calculator, the home was purchased in the 3rd Quarter of 2004, and will be calculated using the most current Quarter available. For the \$105,000 home purchased in 2004, the current value using the HPI Calculator would be \$115,698, so the percentage of change would be a 10.2 percent increase since the original purchase ($\$115,698 - \$105,000 / \$105,000 \times 100\% = 10.2\%$).

In this example, the total fair return on investment at the time of sale, assuming the price at sale permitted the original homebuyer to realize a full return on his/her investment, would be \$983 ($\$5,000 + \$4,640 = \$9,640 \times 10.2\% = \983).

In order to realize a full return on investment to the original homebuyer, the sales price of the home would have to be approximately \$115,623 (original home \$105,000 plus \$5,000 in down payment assistance; plus \$4,640 in the value of capital improvements; and a fair return of \$983= $\$115,623$).

In the event that the minimum sales price must be less to ensure affordability to a subsequent low-income homebuyer, which would be less than the minimum sales price to ensure a fair return on investment, the home sales price would be adjusted upward to include HOME assistance available for down payment and closing cost assistance. In this instance, the subsequent homebuyer would receive priority consideration for down payment and closing cost assistance provided by DED HOME funds available within the service area from DED HOME-funded homebuyer assistance providers, or additional HOME resources in order to ensure that unit is affordable to the subsequent homebuyer.

These restrictions may terminate upon the occurrence of events such as foreclosure or transfer in lieu of foreclosure, but shall be revived according to their original terms if, during the original affordability period, the owner of record before the termination event, or any newly formed entity that includes the former owner, or those with whom the former owner has or had family or business ties, obtains an ownership interest in the housing unit.

Use of Recapture Provisions for HOME-Funded Projects

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.

Additional recapture provisions to be established in the DED Grantee homebuyer guidelines

The DED grantee must adopt the above provisions and establish additional recapture provisions in the DED grantee's Homebuyer Guidelines. These additional requirements include selecting the option that will be utilized by the DED grantee in the case where HOME funds are recaptured during the period of affordability. These options include:

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 down payment 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 prorata 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 downpayment 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,

$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of Affordability}} \times \text{Total direct HOME subsidy} = \text{Recapture Amount}$$

The DED grantee would receive a recaptured amount of \$10,000.

$$\frac{5 \text{ years (homebuyer occupied the home)}}{10\text{-year period of affordability}} \times \$20,000 \text{ HOME funds} = \$10,000 \text{ Recaptured Amount}$$

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADDITIONAL INFORMATION

CDBG Owner Occupied Rehabilitation (CDBG OOR) Program Category

CDBG owner-occupied rehabilitation projects will be funded within a separate CDBG Owner- Occupied Rehabilitation Cycle. This CDBG Cycle is only available for applicants that are CDBG eligible units of general local government.

For the CDBG Owner-Occupied Rehabilitation (OOR) Chapter, specific application questions will be developed within the Application Guidelines. In general, the OOR section will include a section for Demonstrates Desired Results and a section for Probability of Producing Desired Results utilizing the Selection Criteria Matrix noted below. An additional section, which is unique to the CDBG OOR Chapter related to housing activities, includes a section on the Municipal Equalization Fund (MEF). The MEF score will be calculated for each applicant and will be added to the total application score within the CDBG OOR Cycle.

The maximum grant amount for CDBG OOR activities will be \$250,000 per community. Each OOR project will require \$5,000 cash match and \$5,000 in in-kind contributions. Total project match may include in-kind services or source contributions, or other activities that the community has identified that will enhance the overall project. Matching funds may be considered only if they are spent during the project period (Date of Release of funds through the project completion date). The amount of match must be given in dollars.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. Housing Management activities may not exceed 10% of the amount of CDBG funds awarded. General Administration activities do not require any matching funds and also cannot be matched, using local resources, for purposes of meeting the 10% match requirement.

For the current Program Year, \$1,500,000 in CDBG funds will be allocated for CDBG OOR activities.

The total points available for any given application will be 1,000 points. Applicants will be required to obtain a minimum score within designated sections, and must meet all the threshold requirements, in order to be scored and considered for an award recommendation. In addition, failure of the Applicant to score a minimum number of total points on the application will result in the Application not being funded during the current CDBG OOR Cycle.

The Matrix below describes each selection criteria as a numerical score within the CDBG OOR Program. The maximum number of points available within any application is 1,000 points. A minimum score of 350 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Project Need	Project Impact	Project Readiness	Community Support	Matching Funds	MEF	Bonus Points	TOTAL
250	250	200	100	50	100	50	1,000 points
100 min	100 min	100 min	50 min	0	0	NA	350 min

For each of the following sections a project narrative will also be required and any additional information as noted within each individual application question. The final questions developed for the CDBG OOR Program will be made available within the NAHP Application Guidelines and available on the Department's website at: <http://opportunity.nebraska.gov/community/grants/applications>

- 1. Project Need:** Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of project need will be compared to other applicants.

Does the proposed project provide a solution to the immediate housing needs of the primary community(ies) being served? Be specific to the type of project proposed. (Include statistical data (that is cited) to support the proposed project. Also, include independent sources that must be cited and include any relevant information within the application.)

The answer should:

- Describe how the need was determined for the community and/or region;
- Describe the clearly defined, systematic, and inclusive public participation process, and the extent of public involvement, used to identify and address community needs and allocate resources;
- Describe how the proposed project accomplishments will reduce or eliminate the need in the primary project area; and
- Describe any plans to address any remaining housing needs

Points in this section include:

- 0-75—no clear description of the need for the project.
- 76-150— reasonably defined project need that is average compared to other applicants.
- 151-250— above average description of project need.

- 2. Project Impact:** Up to 250 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75—inadequately defined project impact.
- 76-150—reasonably defined project impact that is average compared to other applicants.
- 151-250—above average description of project impact.

- 3. Project Readiness:** Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the rehabilitation efforts from planning to the implementation of the project.
- 76-125—local capacity is demonstrated through past projects, past rehabilitation, and community improvement efforts, citizen participation, and evidence of a commitment to proceed with the project.
- 126-200—Significant local capacity demonstrated through past projects, past rehabilitation and community improvement efforts, citizen participation, and strong evidence of a significant commitment to proceed with the project.

- 4. Community Support:** Up to 100 points possible. A minimum of 50 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from the community will be compared to other applicants.

Points in this section include:

- 0-49—no evidence, or very little evidence from the community that it will commit resources and support community revitalization efforts that will enhance the owner occupied rehabilitation project.
- 50-100—significant evidence from the community that it will commit resources and support community revitalization efforts that will enhance the owner occupied rehabilitation project. This includes: letters of support; financial commitments from the community and its partners; letters of intent from the community, and community partners, to commit resources to the project; and any other evidence that identifies the support of the community to improve areas in which rehabilitation activities will likely be completed.

- 5. Matching Funds:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of CDBG OOR applications, matching funds is defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities.

Points will be awarded to applicants based on the amount of additional match provided that exceeds the required match. Communities, particularly local businesses that will utilize the rental rehabilitation resources, who provide more match will receive points within this section. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

- 6. MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average

property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city’s population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

7. Bonus Points: Up to 50 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://opportunity.nebraska.gov/community/community-info/community-data>.
50 bonus points
- b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://opportunity.nebraska.gov/community/community-info/community-improvement>
50 bonus points

Summary of Milestones/Timeline

Below is a summary of the milestones that would be completed during a CDBG OOR project.

Milestone Summary	Dates
Pre-Application submitted to DED (Optional)	August 4, 2017
Full Application submitted to DED	October 6, 2017
Communities selected/awarded CDBG OOR Resources	TBD

Comprehensive Development (CD) Program Category

A. Comprehensive Development Category—State Objective:

The purpose of the Comprehensive Development (CD) Program Category is to provide flexible investments in housing and infrastructure to carry out a comprehensive strategy of revitalization to stabilize, support, and enhance clearly defined residential neighborhoods with concentrations of persons with lower incomes. The focus is to foster a greater capacity for local community and economic development initiatives that will carry out an enhanced and stable comprehensive revitalization strategy principally benefiting low/moderate income residents of the community.

B. How and What Projects May be Assisted:

Distribution of Comprehensive Development Category Funds:

DED will award grants under the CD Program Category to eligible local governments (those communities who previously received CD Phase II resources) in order to continue carrying out CD-eligible activities and projects meeting a CDBG National Objective and State CDBG priorities.

The primary national objective of the CDBG Program is the “development of viable urban communities by providing decent housing and a suitable living environment, particularly for low and moderate- income persons.”

Activities funded within the CD Program Category include those identified as State CDBG Priorities in the Housing, Public Works, Planning, and Downtown Revitalization Program Categories. The eligible activities must substantially benefit the LMI-designated service area directly, and not only benefit persons on a community-wide scale or only benefit those beyond the designated LMI service area substantially.

Eligible activities within the designated LMI service area may include:

- housing rehabilitation or homebuyer assistance programs;
- neighborhood centers or senior centers of a single or multipurpose nature designed to provide public recreational and social activities;
- nonprofit centers for day care, dependent care, primary health and mental health care outpatient clinics (excluding shelters defined as: hospitals, nursing homes, convalescent homes,
- battered spouse shelters, shelters for the homeless, halfway houses, group homes, temporary housing);
- accredited public libraries;
- single or multi-service fire/rescue buildings (fire trucks are specifically considered “public facilities” and thus eligible);
- removal of architectural barriers for accessibility;
- water distribution (only if system service connections are or will be metered) and/or sanitary sewer collection system improvements (lines on private property are eligible under LMH national objective);
- bridge and/or street improvements including curb, gutter, and sidewalk; storm sewer improvements;
- flood control (designed to influence or affect the flow in a natural water course such as a river, stream, or lake);
- drainage improvements (i.e. retention ponds or catch basins);

- tornado-safe shelters in manufactured home parks (containing not less than 20 manufactured housing units that are within such proximity of shelter to be of use in a tornado);
- neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement);
- analyses of impediments and barriers to fair housing choice;
- neighborhood/comprehensive/strategic pre-development studies;
- functional or special pre-development studies for: housing, downtown revitalization, energy conservation, and transportation; environmental, heritage tourism, and historic preservation studies;
- historic restoration, rehabilitation, 2nd (and upper) story housing, and preservation for physical structures, and infrastructure in a defined downtown business district;
- acquisition, clearance, and code enforcement activities only when in support of above mentioned activities.

C. CDBG National Objectives

All CD projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele); or Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

D. Grant Amount and Matching/Leverage

The maximum grant amount for CD activities was \$30,000 for Phase I (pre-development), and was funded during the previous Program Year. Up to \$700,000 for Phase II (implementation) with \$350,000 being provided during the first allocation of implementation funding and \$350,000 being provided for the second allocation of funding.

For the current Program Year, \$2,450,000 in CDBG funds will be allocated for CD activities only within those communities previously selected for Phase I and Phase II resources that include: Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, and York related to the second implementation allocation.

For Phase II, all activities, except for General Administration, Housing Management, and Construction Management, would require a 50% match and 50% leverage. Proposed match and leverage must be from CDBG eligible activities directly related to the proposed project(s) in the same neighborhood or directly benefiting a substantial majority of the LMI persons or families residing within the neighborhood during the grant award period.

Matching funds would include cash contributions from the community, or other partners. Leveraged funds would include a variety of resources (cash and/or in kind contributions). Consideration for leverage will be given for such sources as public/private cash, loans and program income from prior awards.

The General Administration activity cannot exceed 10% of the CDBG allocation. The Housing Management activity cannot exceed 10% of the CDBG allocation. The Construction Management Activity cannot exceed \$8,000. These amounts are taken out of the CDBG CD funds allocation for each city. General

Administration, Housing Management, and Construction Management activities require no matching funds.

The cost per resident beneficiary for infrastructure (PW eligible activities) cannot exceed \$3,000.

Only up to 25% of each community’s allocation can be used for activities eligible for assistance under the Downtown Revitalization (DTR) Program; provided that such activities were identified as needs in the comprehensive needs assessment, and provide a benefit to low/moderate income residents of the community. If the CD grantee is awarded funds within the DTR Program, 0% of the CD allocation may be used for activities eligible for assistance under the DTR except for housing activities.

Examples of Match and Leverage for Phase II Implementation

Match

Because 50% match is required for implementation, this would mean that for every dollar of project costs, 50% of the project costs could come from CDBG and another 50% would come from local matching funds. This results in a 1 to 1 cost share ratio. For example, an implementation project that is estimated to cost \$600,000 would allow for \$300,000 in CDBG funds to be used for implementation [\$600,000 times 50%] and \$300,000 would be required as match [\$600,000 times 50%]. In addition, the applicant would be allowed 10% of the CDBG allocation for General Administration and 10% of the CDBG allocation for Housing Management (if applicable to project). General Admin and Housing Management do not require any matching funds.

Leverage

50% leverage is also required for implementation. For an implementation project that is estimated to cost \$600,000, and required \$300,000 in match, would also require an additional \$300,000 in funds (cash or in-kind) for leverage.

Phase II – Implementation*			
Total Project Budget	CDBG Non-Admin Activity Funds	Local cost-share	
		Matching Funds	Leverage
\$600,000	\$300,000	\$300,000	\$300,000

*Does not include General Administration costs (maximum of 10% of total CDBG allocation).

Grantees with open Comprehensive Development (CD), Comprehensive Revitalization (CR), or Comprehensive Investment & Stabilization (CIS) awards cannot apply within the Public Works or Water/Wastewater Program Categories.

E. Threshold and Review Criteria for Submitting CD Application, Applicant Submission, and Grantee Selection:

Eligible communities include only those communities that previously received Phase I and Phase II resources including: Columbus, Fremont, Kearney, Nebraska City, Norfolk, Scottsbluff, Wayne, and York.

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities. See the CDBG National Objective Section for more information.
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.
- income surveys will be required for selected neighborhood(s) that show less than 51% low to moderate income as identified by current U.S. Census information. Any income surveys conducted must be completed using appropriate income survey methodology and submitted to the Department. If current U.S. Census information shows that the selected neighborhood(s) are at least 51% low to moderate income or greater, income surveys will not be required. However, in any case, supplemental support documentation would also be needed in order to show that the neighborhood(s) selected are clearly LMI in nature. This documentation may include, but would not be limited to, a summary of the age of housing stock and values; the number of persons receiving Section 8 services; the number of persons in the area on reduced lunches; etc.
- Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department in order to describe how the community will implement the revitalization strategy it defined and prioritized within Phase I.

Below is the Selection Criteria Matrix that will be utilized within the CD program category for the second allocation of Phase II resources:

Selection Criteria	Maximum	Threshold Minimum
9. Project Design	300	150
10. Project Readiness	200	100
11. Community Support	200	100
Total	700 points	350 points

Applicants meeting required thresholds for eligibility and review may submit a Phase II (implementation) application through TBD.

1. **Project Design:** Up to 300 points is possible. A minimum of 150 points must be earned in this section or the application will not meet threshold and will not be funded. The project design should include the overall scope of the project, and the revitalization efforts that will be completed during the implementation of the project. These will be compared to other applicants.

Points in this section include:

- 0-100 points—no clearly defined project design for the project.
- 101-150—limited project design is only defined.
- 151-200—project design is adequate and average compared to other applicants.
- 201-300—significant project design is clearly defined.

2. Project Readiness: Up to 200 points is possible. A minimum of 100 points the level of capacity and commitment by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I predevelopment is complete.
- 76-150—local capacity is demonstrated through past projects, past neighborhood and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I CD pre-development plan.
- 151-200—Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I predevelopment plan, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to neighborhood revitalization.

3. Community Support: Up to 200 points possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from both public and private organizations for the implementation phase compared to other applicants.

Points in this section include:

- 0-75 points—no evidence, or very little evidence from the community that it will commit resources and support neighborhood revitalization efforts.
- 76-150 points—some evidence from the community that it will commit resources and support neighborhood revitalization efforts. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.
- 151-200 points—significant evidence from the community that it will commit resources and support neighborhood revitalization efforts. Significant support would include showing a significant number of partners and resources compared to other applicants. This includes: letters of support; financial commitments from partners; letters of intent from partners to commit resources to the project; and any other evidence that identifies the support of the community for the neighborhood revitalization efforts.

Upon application submittal to the Department, all Phase II applications will be reviewed for the above mentioned criteria. The intent is to utilize a simplified application that will allow communities to move from the first implementation allocation to the second allocation.

In addition, the following information will also be needed for the application, depending on the type of project activities that will be completed for the project.

- For proposed homebuyer activities attach program guidelines addressing items listed in the Appendix.
- For proposed single-family owner occupied and rental housing rehabilitation activities, attach program guidelines addressing items listed in the Appendix.

- Identify measurable benchmarks and outline a schedule for project implementation. Typical benchmarks include: securing administrative and engineering services, completing environmental review, completing land acquisition, completing plans/specifications, obtaining permits and approvals, solicit construction bids, award contracts, construction start and completion.
- Additional CDBG National Objective information should be provided. Provide a narrative description with documentation of how each CDBG funded activity complies with the national objective of benefit to low- and moderate-income persons (see also Application Guidelines for more information).

Summary of Milestones/Timeline

Below is a summary of the milestones that would be completed during a CDBG CD project.

Milestone Summary	Dates
Full Application submitted to DED	TBD
Communities selected/awarded CDBG CD Resources	TBD

Public Works (PW) Program Category

A. Public Works Program Category – State Objective:

The purpose of the Public Works Category (PW) is to provide for investments in effective and affordable infrastructure and facilities to quality communities that are investing in long-term development. This provides a sound basis for fostering local economic development. This recognizes the importance of the availability and condition of public works/facilities. Funded projects shall develop the state's communities and counties by providing residents with basic public works/facilities with the opportunity to maximize energy efficiency.

B. How and What Projects Maybe Assisted Distribution of Public Works Category Funds:

DED will award grants, under the Public Works Category, to eligible local governments in order to carryout investments in effective and affordable infrastructure that meet the CDBG National Objectives and State Priorities.

Eligible Applicants include every Nebraska incorporated municipality (that is not a CDBG Entitlement Community) or a Nebraska county. See the "Threshold Requirements" for specific thresholds that are also considered in determining eligibility.

The following activities are eligible within the Public Works Category:

- Community centers;
- Senior centers exclusively for persons aged 62 and over;
- Nonprofit centers for day care, primary health and mental health clinics;
- Remodel shelter facilities for the homeless (excludes costs for operation);
- Accredited public libraries;
- Fire and/or rescue buildings, including fire trucks;
- Removal of architectural barriers from city/village halls or county courthouses for accessibility;
- Parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement);
- Street, curb, gutter, sidewalk, or storm sewer;
- Flood control and drainage;
- Tornado-safe shelters in manufactured home parks.

Ineligible activities include:

- Buildings used predominantly for the general conduct of government such as:
 - City and village halls;
 - County administrative buildings
 - State Capitols,
 - Office buildings or other facilities in which the legislative or general administrative affairs of the government are conducted.
- General government expenses, except those costs that are directly attributable to administration of a local CDBG program;
- Facilities or equipment used for political purposes or to engage in other political activities;
- Purchase of equipment except as set forth in *Section 3.03(4)* of the Application Guidelines;
- Generally, any expense associated with repairing, operating, or maintaining public facilities, improvements and services. For specific exceptions see *Section 3.03(5)* of the Application Guidelines;
- For income payments for housing including:
 - Payments for income maintenance;
 - Housing allowances;
 - Down payments;

- Mortgage subsidies.

C. CDBG National Objective

All Public Works projects funded, and CDBG funded project activities, must meet the following National Objective of the CDBG Program:

- *Benefiting Low-to-Moderate Income Persons (LMI), including on an Area Basis or serving a Limited Clientele*

A project or project activity that fails to meet this specified national objectives then it is ineligible for CDBG resources.

D. Grant Amount and Matching Funds

The maximum grant amount for Public Works activities will be \$250,000. The cost per beneficiary cannot exceed \$3,000, except for daycare where it cannot exceed \$5,000.

Public Works activities require a 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs. Applicants that commit local funds to the project's non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. General Administration activities do not require any matching funds.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Activity 0380 Construction Management. Matching funds are not required. Maximum of \$8,000 in CDBG funds may be used under Activity 0380.

For the current Program Year, \$1,000,000 is allocated in CDBG funds for Public Works Category Activities.

If it is determined there are not enough eligible applications for funding during the first PW round, or in order to meet CDBG Timely Distribution, a second application round may be necessary during the Program Year.

E. Threshold and Review Criteria for Submitting Public Works Application

Projects are to be completed within twenty-four (24) months following award.

The following threshold requirements must be met by the local government applicant in order to be eligible for grant resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no known legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all substantial compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and

- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.
- Applicant meets the minimum selection criteria score as noted in this section.

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

F. Applicant Submission & Grantee Selection

Public Works application must be submitted by July 21, 2017. Applications will be accepted during this period based on US Postal Service postmark date or date of delivery by other means.

Applicants meeting required thresholds for eligibility and review may submit a Public Works application. Applications will be reviewed using the selection criteria matrix below. The highest scoring applicants, who also meet all required thresholds, may be awarded.

Applications recommended for approval through these processes will be presented to DED's Director for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Public Works Category funds.

G. Public Works Category Selection Criteria Matrix

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications. This summary is of vital importance to the ability of DED to review and score an application based on the thresholds set forth in this section. Details can be further provided under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to further substantiate project need, impact, and readiness.

The Matrix below describes each selection criteria as a numerical score within the Public Works Category. The maximum number of points available within any application is 1,000 points. A minimum score of 300 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale. Preference will be given to “Top Tier” projects.

Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	150	75
3. Project Readiness	250	100
4. Citizen Participation	150	50
5. Matching Funds	50	-
6. LMI Benefit	50	-
7. Municipal Equalization Fund (MEF) Score	100	-
8. Bonus Points	50	-
Total	1,000 points	300 points

1. Project Need: Up to 200 points is possible. A minimum of 75 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local need for the project. The significance of the project need will be scored as compared to other applicants.

The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0—75 points: Inadequately defined, below average
- 76—150 points: Reasonably defined, average compared to other applicants
- 151—200 points: well-defined, above average

The application narrative shall be scored for clear and concise explanations of:

- a) The overall purpose of the project and factual information that illustrates the severity of identified problems in community;
- b) Demonstration of the capacity and commitment to successfully implement change and to complete the project; and
- c) Past efforts to resolve the problem and meet community needs.

2. Project Impact: Up to 150 points possible. A minimum of 75 points in this section in order to meet threshold. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. For this criteria, it is necessary to create a nexus between the project need and the project outcomes as proposed. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0—75 points: Inadequately defined, below average
- 76—100 points: Reasonably defined, average compared to other applicants
- 101—150 points: well-defined, above average

The application narrative shall be scored for clear and concise description of:

- a) Clearly defined goals and objectives to address the identified community problems;
- b) How the completed public works activities will benefit the community, especially low and moderate-income;
- c) The proposed project outcome in measurable units, the degree to which these accomplishments within project implementation will reduce or eliminate the need(s), and any plans to eliminate what needs remain;
- d) The alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and
- e) Indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

3. Project Readiness (Local Effort): Up to 250 points possible. A minimum of 100 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-100 points—inadequately defined, below average
- 101-175—reasonably defined, average compared to other applicants
- 176-250—well defined, above average

The application narrative shall be scored for detailed:

- a) Description of the planning activities and methodology for achieving the goals and objectives as outlined under the Project Impact section; and
- b) Work plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity.

4. Citizen Participation: Up to 150 points is possible. A minimum of 50 points in this section in order to meet threshold. A description of citizen participation process to identify the community needs and allocate resources to address those needs. Points earned for Citizen Participation are tabulated with preset targets that indicate active participation toward economic development within the community. This includes the completion of a comprehensive needs assessment, the distribution of surveys, and clearly documented community involvement in the creation of development priorities for the community at large.

The following criteria will be taken into consideration when determining the community’s score for the Citizen Participation section.

- Completed a comprehensive needs assessment;
- The needs assessment process includes documented citizen participation;
- Developed, distributed, and analyzed a community needs surveys;
- Held public meetings to discuss the outcomes on the community needs analysis;
- Documentation showing the community needs assessment took place within the past 3 years;
- Developed a priority list using the community needs assessment process;
- Developed a strategy to address items in order of the community’s priority list;
- A record of conducting other community and economic development efforts with significant citizen involvement within the last three years that address items ranked on the community’s priority list;
- The community has adopted or updated a comprehensive plan, housing study, and/or a capital improvement plan within the last five years;
- The community can show evidence of economic initiatives such as: LB840, completing business retention and expansion survey, or other viable fundraising efforts.

Points in this section include:

- 0—50 points: has not completed a minority of the above criteria.
- 51—100 points: has completed an average of the above criteria.
- 101—150 points: has completed and properly documented most or all of the above criteria.

5. Matching Funds: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix. The table below further describes these criteria.

Matching Funds Exceeding Requirements	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

6. LMI Benefit: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI

persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population less than 54.99% will receive no points in this section. Narrative is not required under this section.

7. MEF: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program category. Narrative is not required under this section.

8. Bonus Points: Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that are designated as a) Economic Development Certified Community; or b) DED Leadership Community

H. Summary of Milestones/Timeline

Below is a summary of the milestones that would be completed during a Public Works project application.

Milestone Summary	Dates
Public Works Applications Due	July 21, 2017
Public Works Projects Award	September 2017

Water/Wastewater (W/WW) Program Category

A. Water/Wastewater Program Category–State Objective:

The purpose of the Water/Waste Water Category (WW) is to provide for investments in effective and affordable infrastructure and facilities to quality communities that are investing in long-term development. This provides a sound basis for fostering local economic development. This recognizes the importance of the availability and condition of water/wastewater facilities. Funded projects shall develop the state's communities and counties by providing residents with basic water/wastewater facilities with the opportunity to maximize energy efficiency.

B. How and What Projects May be Assisted

DED will award grants, under the Water/Waste Water Category, to eligible local governments in order to carryout investments in effective and affordable infrastructure that meet the CDBG National Objectives and State Priorities.

Eligible Applicants include every Nebraska incorporated municipality (that is not a CDBG Entitlement Community) or a Nebraska county. See the “Threshold Requirements” for specific thresholds that are also considered in determining eligibility.

Water/Wastewater (W/WW) activities that are eligible for funding 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 families. 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.

All applicants applying within the W/WW Program Category must follow the Water/Wastewater Advisory Committee (WWAC) process. WWAC is made up of several state and federal agencies that include: The Nebraska Department of Economic Development, the Nebraska Department of Environmental Quality, and the Nebraska Department of Health & Human Services, and the U.S. Department of Agriculture. The application process includes submitting the pre-application with information regarding a facility plan (FP) or Preliminary Engineering Report (PER) to one of the WWAC agency partners.

WWAC reviews the project pre-application then advises the applicant which assistance provider(s) can best meet the project funding needs. Project owners may also contact the individual agencies directly without going to the WWAC. It is important to note that the DED relies on the ranking systems in this Intended Use Plan (IUP) as their initial step for determining the eligibility of a community for their grants. Drinking water projects must score a minimum of 85 points and clean water projects must meet a minimum of 55 points as described in the IUP. The community, at that time, is also reviewed to determine whether a CDBG National Objective has been met for the State’s CDBG program.

Priority ranking will be utilized for projects when two or more projects are similar within the following areas that include: a) each project has an equivalent SRF priority ranking, b) each project proposes appropriate solutions, c) each community is ready to promptly start and complete activities, and d) adequate CDBG funding for all projects is not available. In this instance, the community with the highest percent of low- and moderate-income persons shall have priority.

The invitee's application is reviewed for CDBG thresholds and requirements as outlined in the Water/Wastewater Program Guidelines. Invitations will be reserved until December 31, 2017 for communities scoring 85 or more points on the Drinking Water Revolving Fund Intended Use Priority (IUP) and 55 or more IUP points on the Clean Water Revolving Fund priority system. If funds remain available thereafter, CDBG reserves will be considered for the next highest ranked and eligible community determined by WWAC as an appropriate source for funding.

If, after a WWAC review, it has been determined that CDBG funds are an appropriate funding source for a community, DED will invite the community to apply for a CDBG WW Program. Only those communities invited to apply for CDBG resources are eligible to apply.

Instructions regarding this process, and the full application process for WWAC approval, will be included as an attachment to the Water/Wastewater Application Guidelines.

There are three phases to the WW program:

1. Preliminary Engineering Report/Pre-development Phase,
2. Final Design Phase, and
3. Construction Phase.

CDBG funds will not be available within the Preliminary Engineering Report (PER)/Pre-development phase. PERs will also not be funded with CDBG funds within the Planning Category if a PER is related to the completion of a WWAC application. Other non-CDBG resources must be utilized for this phase. The Water Wastewater Advisory Committee (WWAC) or other appropriate regulatory agency must review any reports and studies.

Funds will be available only in the Final Design Phase and Construction Phase.

Only communities invited to apply for CDBG resources through WWAC are eligible.

C. CDBG National Objective

All Water/Waste Water projects funded, and CDBG funded project activities, must meet the following National Objective of the CDBG Program:

- *Benefiting Low-to-Moderate Income Persons (LMI), including on an Area Basis or serving a Limited Clientele*

A project or project activity that fails to meet this specified national objective is ineligible for CDBG resources.

D. Grant Amount and Matching

The maximum grant amount for Water/Waste Water activities will be \$250,000. The cost per resident beneficiary cannot exceed \$2,000.

Water/Waste Water activities require a 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs.

General Administration activities may not exceed 10% of the amount of CDBG funds awarded. General

Administration activities do not require any matching funds.

Construction Management costs related to compliance with Davis-Bacon and Related Acts (DBRA) may be budgeted separate from general administration costs under Construction Management. Matching funds are not required. Maximum of \$8,000 in CDBG funds may be used under Construction Management.

For the current Program Year, \$1,000,000 is allocated in CDBG funds for Water/Waste Water Category Activities.

E. Threshold and Review Criteria for Submitting W/WW Application

Projects are to be completed within twenty-four (24) months following award.

The following threshold requirements must be met by the local government applicant in order to be eligible for grant resources. These requirements include:

- Activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- Applicant has no significant, unresolved audit finding;
- Applicant has no known legal actions under way that may significantly impact its capacity;
- Applicant is following a detailed Citizen Participation Plan (CPP) and Anti- Displacement Plan;
- Applicant has adopted an authorizing participation resolution;
- Applicant must have addressed and cleared all substantial compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) Found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- Applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- Applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

F. Applicant Submission & Grantee Selection

Water/Waste Water applications will be accepted beginning **May 1, 2017** (subsequent to submission of a Preliminary Engineering Report and recommendation by the Water Wastewater Advisory Committee) until funds are exhausted.

Applicants meeting required thresholds for eligibility and have received an “Invitation to Apply” letter may submit a Water/Waste Water application.

Applications recommended for approval through these processes will be presented to DED's Director for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Water/Waste Water Category funds.

G. Water/Waste Water Category Selection Criteria

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria of applications. This summary is of vital importance to the ability of DED to review an application

based on the thresholds set forth in this section. Details can be further provided under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to further substantiate project need, impact, and national objective.

1. Community and Project Need: Describe the existing or imminent problem and/or an assessment of the identified local need for the project. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

2. Project Impact: Describe each major activity and identify who will own, operate and maintain the proposed improvements. Identify measurable benchmarks and outline a schedule for the project. Provide information and supporting documentation identifying the number of residential users; projected annual residential rate; debt service portion of the rate; operation and maintenance portion of the rate; and identify if the water system is metered. If not, will the water system be metered? Also, include maps that identify the boundaries of the applicant's jurisdiction, boundaries of the project service area, specific location of each activity, and areas within the 100-year flood hazard boundary.

3. National Objective: Provide a narrative description with documentation on how each CDBG funded activity complies with the appropriate national objective.

A. Planning Program Category – State Objective

The purpose of the Planning Category (PP) 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 processes that lead to successful projects that direct resources toward State priorities.

B. How and What Projects Maybe Assisted & Distribution of Planning Category Funds

DED will award grants under the Planning Category to eligible local governments to carry out local and regional planning activities (strategic or special projects) meeting CDBG National Objectives and State priorities. These plans should lead to project financing through other categories in the CDBG Program, funding solutions through other federal/state/local/nonprofit entities, or a combination of various funding resources.

Eligible Applicants include every Nebraska incorporated municipality (that is not a CDBG Entitlement Community) or a Nebraska county. See the “Threshold Requirements” for specific thresholds that are also considered in determining eligibility.

Eligible Activities generally include: studies, analysis, data gathering, identification of implementation actions, and preparation of plans. These planning projects include, but are not limited to:

- Community strategic planning such as: environmental scan, needs assessment, citizen participation, downtown revitalization, neighborhood revitalization, and fiscal management.
- Analysis of impediments (AI) and barriers to fair housing choice.
- Neighborhood/comprehensive/strategic development plans.
- Functional or special studies for: housing, infrastructure, community development, economic development, land use/regulatory measures, business park site/location/use feasibility, main street improvement district, downtown revitalization, energy conservation, waste management, and transportation.
- Environmental, heritage tourism, and historic preservation studies.
- Downtown Revitalization (DTR) Phase I (pre-development and planning)

Ineligible Activities include:

- engineering, architectural, and design work related to a specific activity;
- implementation of the plan;
- operating costs for an organization;
- the preparation of a CDBG application; and
- Pre-engineering studies for publicly owned water/wastewater projects prepared for communities that are involved in the WWAC process. PERs prepared for WWAC should utilize other non-CDBG resources.

Overall, projects that will lead to a significant impact upon the community and are expected to have a sustained impact are likely to score highly. These projects will address the long-term comprehensive vision for the community and not just focus on a single problem that might be addressed for the short term. For example, projects that utilize and incorporate a comprehensive strategic approach that utilizes community needs assessments, participation, and planning efforts. This comprehensive approach should include:

significant needs identification; an adopted or updated comprehensive plan; a housing study; and a capital improvement plan.

C. CDBG National Objective

All Planning projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (including on an area basis, housing, or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

D. Grant Amount and Matching/Leverage

The maximum grant amount for Planning Category activities will be \$40,000 per community/unincorporated county. The maximum grant amount for Planning Category activities will be \$60,000 for multi-community, county-wide, or regional planning projects. Any applications seeking joint/multi-community may be subject to additional requirements. Applicants for such projects should contact the program representative for technical assistance. Planning Category applications that are funded will receive CDBG funds. Applicants are not required to submit an application for the maximum grant amount.

For the current Program Year, \$500,000 in CDBG funds will be allocated for Planning Program activities.

Planning activities require a 25% match. No more than half (12.5%) of the total project match may be in-kind source or service contributions. At least half (a minimum of 12.5%) of the total project match must include non-CDBG cash contributions, of the total project costs. General Administration activities may not exceed 10% of the amount of CDBG funds awarded, or \$3,000, whichever is greater. General Administration activities do not require any matching funds.

Applicants that commit local funds (including "other" funds and in-kind contributions) to the project's non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix.

Examples of Match for Planning

Match

Because 25% match is required for planning, this would mean that for every dollar of project costs, 75% of the project costs could come from CDBG and another 25% would come from local matching funds. This results in a 3 to 1 cost share ratio. For example, a pre-development project that is estimated to cost \$36,000 would allow for \$27,000 in CDBG funds for pre-development (planning) [\$36,000 times 75%] and \$9,000 would be required as match [\$36,000 times 25%]. In addition, the applicant would be allowed \$3,000 or 10% of the CDBG allocation, whichever is greater for General Administration. General Admin does not require any matching funds. Given the 3:1 model described above, it is necessary to determine the total project budget before calculating CDBG and matching funds.

E. Threshold and Review Criteria for Submitting Planning Application

Eligible local governments may individually or jointly apply and receive more than one grant per cycle in the Planning Category. The local government applicant completing a multi-jurisdictional application must also be a direct participant in the study/project.

The local government applicant cannot serve only as a pass through for CDBG funds or only as the general administrator of the study/project. All municipalities must be involved with the same project, which addresses a common issue. The product can, however, be packaged to meet individual municipal or county needs. There must be a product for the regional study and each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example.

Projects are to be completed within twenty-four (24) months following award.

The following threshold requirements must be met by the local government applicant in order to be eligible for grant resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no known legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all substantial compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

The percentage for funds drawn down shall be figured by DED based on the final application acceptance date, except when an applicant is awarded funds after initial award date, obligated and drawn down funds shall be based on a proportionate number of months lapsed since initial grant award. DED shall contact an applicant if additional information is required.

Additional threshold requirements that are specific to the Planning Category include:

- applicant for a multi-jurisdictional application is a direct participant in the study/project, and cannot serve only as a pass through for CDBG funds or only as the general administrator;
- multi-jurisdictional applicants are involved with the same project which addresses a common need. The regional study has a product, each municipality or county may have its own product that addresses local recommendations, strategies, or needs as an example; and
- applicant meets the minimum selection criteria score as noted in this section.

F. Applicant Submission and Grantee Selection

Planning applications must be submitted per the current Program Year's Planning Category Application Guidelines. Applications may be accepted during two cycles. The first cycle is August 30 through September 30 of the current Program Year. Potential applications are encouraged to submit their applications in the first cycle. Where Planning Category funds remain after the first cycle awards, a second cycle may be held at

DED’s discretion. If held, this second cycle will be an open cycle and applications will be accepted beginning November 15, and until Planning Category funds are depleted.

Applications will be accepted during these periods based on U.S. Postal Service postmark date, or date of delivery by other means. Applications not funded during an application cycle may be carried over to the succeeding Program Year cycle upon request of the applicant, or may be resubmitted during the next available application cycle.

Applicants meeting required thresholds for eligibility and review may submit a Planning application. Applications will be reviewed using the selection criteria matrix below. The highest scoring applicants, who also meet all required thresholds, may be awarded.

Applications recommended for approval through these processes will be presented to DED's Director for a grant award (i.e. Notice of Approval). DED will send a formal Notice of Approval Letter to the applicant community upon approval of the application. A letter of non-selection will be issued to those applicants not recommended for award of Planning Category funds.

G. Planning Category Selection Criteria Matrix

Applicants are required to submit a one-page summary describing the nature and scope of the project. This summary is utilized to determine eligibility of project activities and provides overall context to the selection criteria for scoring of applications. This summary is of vital importance to the ability of DED to review and score an application based on the thresholds set forth in this section. Details can be further provided under the subsequent project narrative and/or use of supplemental attachments provided by the applicant to further substantiate project need, impact, and readiness.

The Matrix below describes each selection criteria as a numerical score within the Planning Category. The maximum number of points available within any application is 1,000 points. A minimum score of 450 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

Selection Criteria	Maximum	Threshold Minimum
12. Project Need (Problem Statement)	250	150
13. Project Impact	250	150
14. Project Readiness (Local Effort)	250	150
15. Matching Funds	50	-
16. LMI Benefit	50	-
17. Municipal Equalization Fund (MEF) Score	100	-
18. Bonus Points	50	-
Total	1,000 points	450 points

1. Project Need (Problem Statement): Up to 250 points is possible. A minimum of 150 points in this section is required in order to meet threshold. Describe the existing or imminent problem and/or an assessment of the identified local need for the project. The significance of the project need will be scored as compared to other applicants. The narrative should reflect the current need for the proposed project based on existing, identifiable problems and conditions; identify any past formal or informal planning efforts to resolve the problem; and demonstrate the capacity and commitment to successful completion of the project.

Points in this section include:

- 0-75 points—inadequately defined, below average

- 80-150—reasonably defined, average compared to other applicants
- 155-250—well-defined, above average

The application narrative shall be scored for clear and concise explanations of: (a) the overall purpose of the project and factual information that illustrates the severity of identified problems in community; (b) demonstration of the capacity and commitment to successfully implement changes or project as a result of the planning process; (c) past efforts (planning or otherwise) to resolve the problem and meet community needs.

2. Project Impact: Up to 250 points possible. A minimum of 150 points in this section in order to meet threshold. Describe the importance of project activities to the community and provide clarity on how the project will benefit those identified by a CDBG National Objective. For this criteria, it is necessary to create a nexus between the project need and the project outcomes as proposed. The significance of the project impact will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for clear and concise description of: (a) clearly defined goals and objectives to address the identified community problems; (b) how the completed planning activities will benefit the community, especially low and moderate-income and special needs persons; (c) the proposed project outcome in measurable units, the degree to which these accomplishments within project implementation (after plans have been completed) will reduce or eliminate the need(s), and any plans to eliminate what needs remain; (d) the alternatives considered to address the need(s) and the rationale for selecting the proposed solution; and (e) indication of whether there has been a formal study/report completed that recommends the proposed solution, and if so, who completed it and when.

3. Project Readiness (Local Effort): Up to 250 points possible. A minimum of 150 points in this section in order to meet threshold. A description of prior and concurrent efforts related to the overall: planning strategy; work plan for solutions to the problems/needs and impact as defined above; project readiness; and financial and operational capacity of the community. Project readiness will be scored as compared to other applicants.

Points in this section include:

- 0-75 points—inadequately defined, below average
- 80-150—reasonably defined, average compared to other applicants
- 155-250—well defined, above average

The application narrative shall be scored for detailed: (a) description of the planning activities and methodology for achieving the goals and objectives as outlined under the Project Impact section; (b) work plan and narrative that lists and describes the activities and tasks, time frames, products, or outcomes, and key parties responsible for completing each activity; and (c) description of citizen participation process, specifically the outline and scheduling (timeline) of how broad-based community involvement/awareness will be utilized throughout the project.

4. Matching Funds: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. Applicants that commit local funds (including “other” funds and or in-kind contributions) to the project’s non-administrative activities that exceed the required match will be eligible for additional points under the appropriate category of the selection criteria matrix. The table below further describes

these criteria.

Matching Funds Exceeding Requirements	Points Available
10% or greater	50
5-9.99%	25
3-4.99%	10
Less than 3%	0

5. LMI Benefit: Up to 50 points is possible. No minimum points in this section are required in order to meet threshold. This scoring category is designed to give points to communities with higher concentrations of LMI persons. Communities with a LMI population of 55% or more will receive 50 points. Communities with a LMI population less than 54.99% will receive no points in this section. Narrative is not required under this section.

6. MEF: Up to 100 points possible. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program category. This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program category. Narrative is not required under this section.

7. Bonus Points: Up to 50 points possible. No minimum point required in order to meet threshold. Points will be awarded in this section for applicants that demonstrate how planning projects will address sustainability concerns by (a) promoting energy efficiency throughout the community and project area; (b) reduction of inefficiencies throughout the community in relation to: budget, operations, and project implementations; and (c) promote environmental stewardship.

H. Summary of Milestones/Timeline

Below is a summary of the milestones that would be completed during a Planning project application.

Milestone Summary	Dates
Planning applications submitted to DED 1st Cycle	August 30 – September 30
Anticipated Award of 1st Cycle applicants	October
Planning applications submitted to DED 2nd Cycle	Beginning November 15 – Ongoing
Anticipated Award Date of 2nd Cycle applicants	Ongoing

Downtown Revitalization (DTR) Program Category

A. Downtown Revitalization Program Category–State Objective:

The purpose of the Downtown Revitalization Category is to provide for investments in Nebraska Communities that will contribute to the revitalization or redevelopment of downtown infrastructure, health and safety concerns, and develop a greater capacity for growth. This provides a sound basis for fostering local economic development. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and create a center for community activity which is directly related to business expansion and location decisions.

Activities will assist communities to carry out a comprehensive downtown revitalization pre-development study to stabilize and enhance clearly defined downtown areas that will provide a benefit to low/moderate income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

B. How and What Projects May be Assisted

Distribution of Downtown Revitalization Category Funds

DED will award CDBG funds under the Downtown Revitalization (DTR) Program Category to eligible units of general local government in order to carry out implementation projects that meet required National and State CDBG objectives. Projects will be carried out in two phases. The first phase is a pre-development phase which will result in the completion of a well-defined, comprehensive pre-development study that defines a series of specific desired outcomes with goals and action steps for improvements to a defined downtown business district. The pre-development study should include: proposed redevelopment plans; the proposed activities that will be completed during project implementation; the activity priorities selected for each project; and reasons for those priorities. In addition, information on the detailed consultation efforts that were completed during pre-development (including the businesses consulted and other interested members of the public). The primary goal of the pre-development study should be the creation of a solid working document that will allow for efficient implementation of project activities once funds for the implementation phase are provided. Phase I may be completed within the Planning Category.

The second phase will be awarded after the successful completion and approval by DED of the DTR pre-development study in order to implement project activities or loan programs that have been identified within the pre-development study. The pre-development study must be submitted with the required application in order to receive an award for Phase II activities.

Eligible Applicants include every Nebraska incorporated municipality with a population of less than 50,000 and not a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island). See the "Threshold Requirements" for specific thresholds that are also considered in determining eligibility.

Eligible Activities generally include:

- Pre-development studies (completed in Planning Category)
- All public facility and infrastructure activities that are also eligible under the Public Works Program Category of the Nebraska CDBG Program that are located in the downtown business district or downtown redevelopment district. Activities may include, but are not limited to, the following:
 - street improvements including curb, gutter, and sidewalk, which may include energy efficiency improvements for lighting; storm sewer improvements; flood control drainage improvements;
 - removal of architectural barriers; and single or multiuse facility improvements that are designed to provide public recreational and social activities;
 - removal of architectural barriers that restrict accessibility for elderly and handicapped persons in support of public facilities/infrastructure, which includes buildings used predominantly for the general conduct of government
- Loans to businesses located in the designated downtown business district for façade improvements, which may include energy efficiency improvements
- Loans to businesses located in the designated downtown business district to improve deficiencies in meeting community codes, which may include energy efficiency improvements
- Acquisition, clearance, and code enforcement activities which support other revitalization activities
- Historic restoration, rehabilitation and preservation for physical structures and infrastructure in a defined downtown business district

C. Ineligible Activities

The following activities are ineligible within the DTR Program. If any activity is not noted within the list below, and is not listed as an eligible activity, please consult a CDBG Program Representative in order to determine if any other proposed activities are eligible for the program.

- Buildings, or portions thereof, used predominantly for the general conduct of government cannot be assisted with CDBG funds.
- General government expenses cannot be paid with CDBG funds, except for documented local government administration of the CDBG project.
- CDBG funds cannot be used to pay for facilities or equipment used for political purposes or to engage in other political activities.
- The purchase of equipment with CDBG funds is generally ineligible
- Overall, the general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and services is ineligible.

D. Compliance with CDBG National Objective Requirements

All DTR projects funded, and CDBG-funded project activities, must meet one of two National Objectives of the CDBG Program. These include:

- Benefiting low-to-moderate income persons (LMI); (including on an area basis or serving a limited clientele); or
- Aiding in the prevention or elimination of slums or blight (SBA) (including both area-wide and on a spot basis).

A project or project activity that fails to meet one of these specified national objectives is ineligible for CDBG resources.

E. Grant Amount and Matching Resources

The maximum grant amount for Phase I (pre-development) activities will be defined within the Planning Category.

The maximum grant amount for Phase II (project implementation) activities will be \$350,000 per community. DTR activities undertaken during Phase II require a 25% match. No more than half of the total project match may be in-kind source contributions. At least half of the total project match must include non-CDBG cash contributions, of the total DTR project costs. General Administration activities during the project implementation phase may not exceed 10% of the amount of CDBG funds awarded. \$8,000 will be available for Construction Management as it relates to Davis Bacon and Related Acts (DBRA) compliance. General Administration and Construction Management activities do not require any matching funds.

For the current Program Year, \$1,750,000 in CDBG funds will be allocated Phase II DTR activities.

F. Threshold and Review Criteria for Submitting DTR Application, Applicant Submission, and Grantee Selection

Eligible units of general local government may apply individually for DTR Phase I pre-development activities. Funding for Phase II (project implementation) is only reserved for communities who have been selected to complete Phase I.

The following threshold requirements must be met by the local government applicant in order to be eligible for Program resources. These requirements include:

- activities proposed are eligible and comply with CDBG National Objectives and State CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions under way that may significantly impact its capacity;
- applicant is following a detailed Citizen Participation Plan (CPP) and Anti-Displacement Plan;
- applicant has adopted an authorizing participation resolution;
- applicant must have addressed and cleared all compliance problems (i.e. Davis Bacon, acquisition, fair housing, etc.) found during monitoring, if any, from past awarded projects, and have had a response accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audits, etc.); and
- applicant has shown progress (including expenditures) on prior CDBG grants. In general, DED will review projects that have been funded at least 2 years prior to the current Program Year.

In general, following a Notice of Approval Letter (i.e. Award Letter), Phase I activities must be completed within nine (9) months. Phase II activities must be completed within 24 months following an award.

In order to be eligible for future CDBG funding under the DTR Program Category, local governments must have successfully complete Phase II project implementation activities.

DTR Phase I applications must be submitted per the Planning Category Application Guidelines. DTR Phase II applications must be submitted per the Downtown Revitalization Program Application Guidelines. Phase II applications will be accepted on a date TBD. Applications will be accepted during this period based on U.S. Postal Service postmark date or date of delivery by other means.

Phase II (Implementation)

Upon successful completion of the Phase I (Predevelopment) project, each applicant will submit a Phase II application to the Department in order to describe how the community will implement the downtown revitalization strategy it defined and prioritized within Phase I.

Applicants meeting required thresholds for eligibility and review may submit a Phase II application through February 28, 2017. Phase II applications will be reviewed using the below Selection Criteria Matrix. The highest scoring applicants, who also meet all required thresholds, will be awarded up to \$350,000 in CDBG funds for Phase II implementation. Phase II funds within the DTR Program are only reserved for those communities previously selected for Phase I resources. This includes those communities who successfully completed Phase I activities for the 2014 or 2015 Program Years, but did not received Phase II funding resources.

Below is the Scoring Criteria Matrix for the DTR Phase II application. The Matrix describes each selection criteria as a numerical score within the DTR Program. The maximum number of points available within any application is 1,000 points. A minimum score of 400 points is required and some criteria require a minimum score as noted below. All selection criteria will be scored in five point increments and shall be scored on a scale.

(1)	(2)	(3)	(4)	(5)	(6)			(7)
Project Design	Project Readiness	Business and Community Support	Matching Funds	MEF	Bonus Points	SUBTOTAL	Onsite Review	TOTAL
300	200	150	50	100	100	900	100	1,000 points
175 min	100 min	75 min	0	0	NA	350	50	400 min

For each of the following sections a project narrative must be provided and any additional information as noted within each individual application question.

- 1. Project Design:** Up to 300 points is possible. A minimum of 175 points must be earned in this section or the application will not meet threshold and will not be funded. The quality of the project design will be compared to other applicants.

Points in this section include:

- 0-100—no clearly defined project design for the project.
- 101-200—limited project design is only defined.
- 201-300—significant project design is clearly defined.

2. Project Readiness: Up to 200 points is possible. A minimum of 100 points must be earned in this section or the application will not meet threshold and will not be funded. The level of readiness (including capacity and commitment) by the community will be scored as compared to other applicants.

Points in this section will include:

- 0-75—lack of local staff or ability to oversee the revitalization efforts from planning to the implementation of the physical project, no evidence of commitment to proceed with a physical project after Phase I is complete, no active code enforcement in place.
- 76-125—local capacity is demonstrated through past projects, past downtown and community improvement efforts, citizen participation, and strong evidence of a commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan and demonstrated active code enforcement is in place.
- 126-200—Significant local capacity demonstrated through past improvement efforts, citizen participation, evidence of commitment to proceed with a physical project after the successful completion of a Phase I downtown revitalization plan, active code enforcement in place, and strong evidence of demonstrated organized groups, organizations, efforts dedicated to downtown development.

3. Business & Community Support: Up to 150 points possible. A minimum of 75 points must be earned in this section or the application will not meet threshold and will not be funded. The level of commitment and support from the local business community will be compared to other applicants.

Points in this section include:

- 0-50—no evidence, or very little evidence, from the local business and the community that it will commit resources and support downtown revitalization efforts.
- 51-100—some evidence from the local businesses and community that it will commit resources and support downtown revitalization efforts. The support is average compared to other applicants. This includes: some letters of support (but may not include letters of commitment if funded); limited financial commitments from businesses; some (if any) letters of intent from businesses (and other parties) to commit resources to the project; and any other evidence that identifies the support of the business community and the community as a whole.
- 101-150—significant evidence from the local businesses and community that it will commit resources and support downtown revitalization efforts. This includes: specific letters of intent from downtown businesses and the community that will describe the amount of resources that will be committed if funded; specific letters of interest from downtown businesses that describe the level of participation and interest from downtown businesses if the project is funded; significant financial commitments from businesses; and any other evidence that identifies the support of the business community and the community as a whole.

- 4. Matching Funds:** Up to 50 points possible. No minimum points in this section are required in order to meet threshold. For purposes of DTR applications, matching funds are defined as local funds (including “other” funds and or in-kind contributions) committed to the project’s non-administrative activities that exceed the required match.

Points will be awarded to applicants based on the amount of matching funds provided that exceed the required match. Communities who provide more matching funds will receive points within this section. The table below further describes this scoring criteria.

Matching Funds	
50 points	10% or greater of total project costs above required match
25 points	5-9.99% of total project costs above required match
10 points	3-4.99% of total project costs above required match
0 points	Less than 3% of total project cost above required match

- 5. MEF:** Up to 100 points possible. No minimum points in this section are required in order to meet threshold. A Municipal Equalization Fund (MEF) score will be generated for each community that has applied for this program.

The Municipal Equalization Fund (MEF) was created in 1996 as a needs-based method of providing state aid to cities. The program is administered by the Nebraska Department of Revenue, with data provided by the Department of Revenue’s Property Assessment and Research Divisions, and the Nebraska Auditor of Public Accounts. Final aid calculations for Nebraska communities are posted in June of each year.

This aid formula provides a way of looking at needs and resources while at the same time ensuring that local governments provide a level of local resources. DED will incorporate the MEF calculation into the scoring criteria for this program.

Each city’s population is multiplied by the average per capita property tax levy for the relevant population group. Then each city’s property tax valuation is multiplied by the state average property tax levy. These numbers are used to make the preliminary determination for state aid under the MEF formula. If a city’s population multiplied by the average per capita property tax levy is greater than the state-wide average levy multiplied by its valuation, the community will earn points. If the difference is negative, no points will be awarded under the MEF scoring criteria for this program.

All of the incorporated cities in the state are divided into three population groups:

1. Municipalities with a population of 5,000 inhabitants or more;
2. Municipalities with a population between 800 and 5,000 inhabitants; and
3. Municipalities with a population of 800 inhabitants or less.

Populations are based on the last decennial census including those modified by annexations that have taken place since the last census and any special censuses completed by the U.S. Census Bureau.

6. Bonus Points: Up to 100 points possible. No minimum points in this section are required in order to meet threshold. Applicant must demonstrate any of the following items at the time of application submittal. These items include:

- a. Applicant is designated as an Economic Development Certified Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/economic-development-certified-community/certified-communities>. **50 bonus points**
- b. Applicant is designated as a DED Leadership Community. For a complete list of communities and additional information visit the DED website at: <http://www.neded.org/community/community-info/community> **25 bonus points**
- c. The community has a Redevelopment Authority or other downtown/business/community organization structure that is operational and functioning within the community. **25 bonus points**
- d. The project will be located in a Comprehensive Development (CD) or Comprehensive Revitalization (CR) community. **25 bonus points**

Upon application submittal to the Department, all Phase II applications will be reviewed for the above mentioned criteria. Those applicants who have identified a reasonable proposal; reasonable project design; and meet threshold minimums for scoring criteria will be invited for an on-site review. Site reviews will be conducted by DED staff.

7. On-Site Review: Up to 100 points possible. A minimum of 50 points must be earned or the application will not meet threshold and will not be funded. The level of project need and impact will be determined based on an onsite review conducted by the DTR Review Team. This review will compare the proposed project to other application proposals.

Points in this section include:

- 0-50 —less serious problems exist in the downtown; little or no substandard conditions exist; infrastructure is in good/excellent condition; downtown structures are in good/excellent condition; little or no physical or economic blight is identified. Overall, little or no downtown revitalization is needed.
- 51-100—moderate to significant problems or opportunities exist in the downtown; many substandard conditions exist; infrastructure is in poor condition (including deteriorating streets and sidewalks, accessibility issues, drainage problems, etc.); downtown structures are in poor condition with need for façade improvements; moderate to significant physical or economic blight is identified, with more than 15% of the properties in the project area in a state of physical or economic blight; a number of vacancies exist. Overall, downtown revitalization efforts are needed in a community that would benefit from the project and enhance the community's downtown to attract and retain business.

NOTE: for this section the term “physical blight” includes deteriorated conditions, or states of disrepair, of downtown infrastructure, buildings, and other physical elements which detract from the overall appearance and identity of the downtown district. The physical blight adds to depressed property values and impacts the ability to market and attract investment. “Economic blight” includes the existence of vacant, disinvested, or underutilized buildings, and parcels, which represent unrealized commercial potential and create a negative image of the downtown that harms efforts to attract new investment.

G. Summary of Milestones/Timeline

Below is a summary of the milestones that would be completed during a DTR project.

Milestone Summary	Dates
Phase I (Pre-Development) applications submitted to DED	See Planning Category
Phase II (Implementation) applications submitted to DED	TBD
DED conducts site visits	TBD
Contract Negotiations conducted between DED and Applicant Communities	TBD
CDBG Awarded for Phase II: Downtown Revitalization Project Activities (Implementation of downtown revitalization plan; 2 year contract)	TBD

Economic Development (ED) Funding Category

Objective

The objective of the Nebraska Department of Economic Development ("Department" or "DED") for the Community Development Block Grant ("CDBG") Economic Development ("ED") category is to assist businesses which expand the state's economic base and which create quality jobs principally benefiting employees in the low and moderate income ("LMI") levels.

Eligible applicants include every Nebraska incorporated municipality under 50,000 population; and every Nebraska county.

Eligible Businesses: Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program. Refer to the discussion of eligible (and ineligible) businesses below.

Eligible Activities include:

- loans to for-profit businesses (through the applicant community) for a variety of business purposes
- public/private facilities (infrastructure) projects undertaken by applicant communities for economic development purposes, where a benefiting business agrees to locate or expand premised on the infrastructure improvements and agrees to create jobs for LMI persons

Compliance with CDBG National Objective Requirements

All project activities must meet one of three national objectives of the CDBG program. The three national objectives are:

- benefiting low and moderate (LMI) income persons
- aiding in the prevention or elimination of slums or blight
- meeting other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to health or welfare of the community and other financial resources are not available to meet such needs

In the CDBG ED category portion of the CDBG program of the Department, nearly all, if not all, projects in a given program year are funded through meeting the first national objective cited above, namely, benefiting low and moderate income persons. In turn, that LMI benefit is demonstrated in nearly all projects through job creation, job retention, or both job creation and job retention, by a benefited business. Such job creation or job retention must involve the employment of persons, the majority (51% or more) of whom are LMI persons.

Maximum Amounts of Awards

\$1,000,000 will be used as a guideline for a maximum award for any one project under the CDBG ED category.

Amount of Loan Forgiveness Flowing Through to a Benefited Business

The aggregate amount of forgiveness to a benefited business from the CDBG ED category may be an amount up to the total award, and will be determined by DED.

Application Timing and Process

Applications for CDBG ED awards are accepted and considered on an open cycle. The process of application review involves consideration and recommendation by: the Project Review Committee; followed by the Department Director. The Department will send a formal Notice of Approval Letter to an applicant community receiving application approval.

The review process by the Department Project Review Committee is based on the individual and collective judgments of Committee members, in consultation with other Department staff as necessary, applying an objective scoring process based on various criteria. A group/consensus decision is reached evaluating the merits of each application and deciding whether to fund, and if positively determined, at what level of funding.

Matching Requirements

All CDBG ED category projects require a minimum 1:1 match of CDBG funds with funds from other (non-CDBG) sources. Put another way, CDBG funds can be no more than 50% of the total project cost.

Application Underwriting Guidelines

The Housing and Community Development Act (HCDA) and HUD's CDBG regulations outline basic project "underwriting" guidelines/standards so that state programs administering federal CDBG funds will achieve the federal objectives of the CDBG program. The underwriting standards—the decision-making criteria—used in the Nebraska CDBG ED category are designed to address these federal guidelines.

The federal CDBG guidelines, as applied by the Department, may be summarized as follows:

- a. Project costs must be reasonable, not excessive, and must be supported by cost analyses. Transactions must be carried out through arms-length transactions, not insider arrangements.
- b. All proposed sources of financing necessary to carry out the project must be committed. This ensures that time and effort is not wasted on assessing proposals, or awarding funds to projects, that are not in a position to proceed to project completion within a reasonable time. To fulfill this requirement, the Department requires a written verification affirming the various funding parties' intentions to make funds available, and, depending on the nature of the funding party, a showing of their capacity to actually provide such funds.

- c. To the extent practicable, CDBG funds are not to be substituted for other funds. This standard requires a financial underwriting analysis of the project. The level of analysis will vary with the nature and complexity of the project. Since projects in this category provide financing for for-profit businesses, appropriate levels of private source financing (e.g., bank loans) are expected to be present, and equity participation in the project must be sufficient given the financial capacity of those owning the enterprise.
- d. Financial feasibility of the project. The public benefit expected from the investment of CDBG funds is the creation and maintenance of LMI jobs. That benefit will not materialize if the project is not financially feasible.
- e. Avoidance of providing an unreasonable return on investment to the owner of the project. The availability of non-interest bearing loans and forgivable loans to for-profit businesses presents a potential for this to occur which must be addressed in analyzing, and in judging the merits of, each project.
- f. To the extent practicable, CDBG funds should be disbursed on a pro rata basis with other project funding sources. CDBG money should not be the first money into a project, but rather should flow into a project in proportion to other project funding sources.

Applicants must recognize that CDBG ED funds are limited and not all applications are equally meritorious when viewed from the Department's state-wide perspective.

Application Decision-making Criteria

The Department's Project Review Committee considers the following criteria, and uses the following scoring spectrum, when evaluating whether an application meets the minimum threshold requirement. A project scoring less than 25 points does not meet the minimum threshold for further consideration by the Project Review Committee.

Scoring 25 points is a necessary condition for further consideration, but is a minimum threshold only and is not solely determinative of a favorable recommendation by the Project Review Committee for awarding CDBG funds based on the application.

• **CDBG \$ Utilization→** **35 points possible for this component**

CDBG\$ invested per job created/retained→ 20 points possible

- 0 points = \$35,000 or more
- 4 points = \$30,000 to <\$35,000
- 8 points = \$25,000 to <\$30,000
- 12 points = \$20,000 to <\$25,000
- 16 points = \$15,000 to <\$20,000
- 20 points = <\$15,000

CDBG \$ compared to total project \$ (as %)→ 10 points possible

- 0 points = 50%
- 2 points = 33% to <50%
- 6 points = 20% to <33%
- 10 points = <20%

Aggregate wages (and benefits) paid to employees in created Jobs within one year compared to CDBG\$ invested (as %)→ 5 points possible

- 0 points = 100% or less
- 2 points = >100% to <125%
- 5 points = 125% or more

○ **Community Impact and Investment→ 30 points possible for this component**

Location of community as more economically distressed than others, based on three broad location sectors→ 30 points possible

- 10 points = larger community locations:
Beatrice, Columbus, Fremont, Hastings, Kearney, Norfolk, North Platte, Scottsbluff/Gering, South Sioux City, Douglas County, Lancaster County, and Sarpy County
- 20 points = not one of the larger community locations, but in the Interstate-80 corridor
- 30 points = rural (encompassing all locations not within the two location sectors above)

○ **Business Factors→ 40 points possible for this component**

Owners' equity in project→ 12 points possible

- 0 points = 10% or less
- 4 points = >10% to 20%
- 8 points = >20% to 33%
- 12 points = >33%

Loan collateral, and loan guarantees→ 6 points possible

- 0 points = unsecured, or a junior lien position offering little realizable value
- 1-5 points = for the spectrum in between
- 6 points = reasonably secured as to collateral value and liquidity, with guarantees in existence

Established business, or start-up venture→ 6 points possible

- 0 points = start-up venture with all the usual risks of failure
- 3 points = established business, but with negative trends
- 6 points = established business with positive trends

Documentation of \$ commitments by all other project \$ sources→ 4 points possible

- Duration of commitment to maintaining the created/retained jobs→
 - 2 points possible
 - 0 points = committing to maintaining only for the minimum required by the Department's guidelines
 - 2 points = committing to substantially more than the minimum

○ Targeted Industry→ 10 points possible

○ **Economic Development or Leadership Certified Community→5 points possible for this component**

- If the applicant community is qualified as an Economic Development Certified Community or Leadership Community, 5 bonus points are given→ 5 points possible

○ **Total Project→ 110 points possible for total of all components**

Eligible and Ineligible Businesses: Not all businesses are eligible to be benefited businesses under the Department's CDBG ED program.

For a business to be eligible to be a benefited business under the Department's CDBG ED program, it must:

- meet the definitional criteria to be a "qualified business" as that term is defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made under these guidelines;

And also,

- Meet any additional eligibility criteria, and not be ineligible by reason of the exclusions, in these guidelines.

Nebraska Advantage Act Criteria

As a basic narrative for these guidelines, the following listing summarizes the categories of businesses considered to be considered a "qualified business" under the Nebraska Advantage Act. The statutory text (and regulatory interpretations thereof by the Department of Revenue) will prevail in the event of an interpretive conflict with these guidelines. "Qualified businesses" are those engaged in any one (or combination) of the following:

- Research and development
- Manufacturing
- Data processing
- Telecommunications
- Insurance
- Financial Services
- Distribution
- Storage
- Transportation
- Headquarters (administrative)
- Targeted export services (75% of sales outside Nebraska or to the U.S. Government: software development; computer systems design; product testing services, guidance or surveillance systems; technology licensing)

Additional CDBG ED Guidelines Criteria and Ineligibility Exclusions

- The business must pay all employees at the project location in Nebraska at a rate of no less than \$10.50 per hour, as well as provide appropriate employee benefits, for the duration of the project job maintenance period (which period will be established as part of the MOU for the project).
- Non-profit businesses/organizations are ineligible.
- Businesses that derive any revenues from gaming are ineligible.
- Production agriculture enterprises are ineligible. These are excluded because they lack the necessary CDBG ED program guideline requirement that there must exist extra levels of substantial and separately identifiable value-added processing being performed by employees of the production agriculture enterprise—beyond those tasks and activities of production, harvesting, and marketing normally associated with traditional agricultural production commodities. Examples of such ineligible enterprises (when they lack the extra value-added component) include: grain farming, livestock raising, raising of poultry or the production of eggs, the production of milk, fruit or nut orchards, vegetable farming including hydroponics vegetable production, and aquacultural facilities.
- Trucking enterprises, which lack the requisite storage, warehousing, or distribution extra components which would distinguish them from the usual so-called "rolling stock" enterprises, are ineligible.

Eligible Activities and Forms of CDBG Assistance

Activities eligible for assistance under the CDBG ED guidelines are primarily (but not exclusively) authorized in Sections 105(a) (14, 15, 17) of the HCDA. All activities must meet the eligibility requirements, and avoid the prohibitions, in the HCDA and in the CDBG regulations. The forms of assistance available in the CDBG ED category are:

- Loans to businesses. The provision of "direct" assistance to eligible, private, for-profit businesses to carry out an economic development project. The assistance is not (and cannot be by the provisions of the HCDA and the CDBG regulations) provided directly to the business from the Department, but rather is passed through the applicant governmental unit. The assistance will be in the form of a loan from the applicant governmental unit to the business. Such loans may be used by the business for almost any legitimate business purpose. Examples of permitted uses include: purchasing land; constructing a building; renovating an existing building; purchasing machinery and equipment; purchasing inventory; and meeting working capital needs. Unless a compelling case, involving extraordinary circumstances can be made by the applicant and the benefited business—refinancing/financial restructurings/"bail-outs" of existing debt are not favored by the Department as an appropriate use of CDBG funds.
 - Loans to businesses may be either low-interest or non-interest bearing, depending on: interest rate market conditions; the particular facts and circumstances of the business and the CDBG application; and the decision regarding loan terms (interest rate being among such loan terms) made by the entity which will be ultimately receiving loan repayments made by the business (which may be the applicant governmental unit, or the Department, or both in some instances).
 - Loan amortizations are to require monthly payments.
 - Other terms of the loan (such as appropriate loan maturity, payment deferrals, and collateral requirements) vary from project to project and will be subjects of negotiation among the parties.
 - Maximum allowed maturities are:
 - 15 years for real estate loans
 - 7 years for machinery/ equipment loans
 - 5 years for working capital loans
 - Maximum time for deferral of the initial loan payment is one year from note inception.
Such payment deferrals are not the norm.
 - Forgiveness of loans. The aggregate amount of forgiveness to a benefited business from the CDBG ED category may be an amount up to the total award, and will be determined by DED.
 - The repayments of the loan are CDBG program income, and the funds are subject to the program income requirements (explained elsewhere in these guidelines) and continue to be subject to CDBG requirements.

- Loan forgiveness is conditional, and for a benefiting business to have its loan achieve the status of being unconditionally forgiven, the benefiting business must completely fulfill the requirements of the project (as they will be outlined in the MOU), particularly including meeting the national objective for the project.

- Public/Private facilities (infrastructure) construction or improvement projects, undertaken for economic development purposes. CDBG funds in these instances are granted directly to the community. In such projects, a business benefiting from the infrastructure project (e.g., from street construction to the proposed site of the business) agrees to locate or expand in the applicant community premised on the infrastructure project, and agrees to create jobs principally benefiting LMI persons (and to maintain those jobs).
 - The public/private facilities project must be essential to the business, and have a direct nexus to the business activities conducted by the business.
 - Typical examples of such public facilities include street construction, street improvements, water supply system improvements, sewer system improvements, and flood and drainage system improvements.
 - Communities should note that any costs for "oversizing" the project to meet community needs beyond the essential needs of the benefited business must be exclusively paid by the community, and such costs borne for "oversizing" will not count toward the required minimum 1:1 community match of CDBG funds.
 - Because the CDBG award in these projects is a grant directly to the community, the matching funds in these projects must come from the community itself and be invested directly into the project costs. Other "matching" which may be done by the business in its location/expansion, e.g., building a new plant, does not serve to fulfill the match requirement in this public facilities component of the CDBG ED program.
 - Even though the CDBG funds in these projects do not flow through to directly benefit the business, the business is benefited—is advantaged—by the project, and the granting of the CDBG funds to the community in the first place is premised upon the business' agreement to locate/expand and to Create and maintain jobs thereby.
Consequently, the business is required to agree (in the MOU for the project):
 - to carry out the location/expansion of its business facility.
 - to create and maintain jobs having the required LMI benefit.
 - to repay to the community the amount of the CDBG funds awarded to the community and invested in the public facilities project should the business fail to meet the requirements of the MOU.
 - to provide in the application and periodically into the future (for the duration of the job maintenance period) financial information to allow an evaluation of the condition of the business, the likelihood of achieving the job creation and job maintenance requirements; and the business' capacity to repay to the community the amount of the CDBG funds awarded should the business fail to meet the requirements of the MOU.

In the CDBG Economic Development Category for the current Program Year, DED will fund economic development infrastructure activities/projects with the \$1,100,000 of funding allocated to this category. Other activities/projects will be funded from DED's State CDBG Revolving Loan Fund (also known as the State RLF).

A. Tourism Development–State Objective:

The State CDBG objective of the Tourism Development Category is to provide for 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 attraction projects that serve the needs of both a regional economy and local community economy are a key element in satisfying the state objective.

B. How and What Projects May be Assisted Distribution of Tourism Development Category Funds

DED will award grants under Tourism Development to eligible local governments to carry out tourism development projects, defined as tourist attractions (for profit or nonprofit, public or private) that are expected to draw 2,500 visits or more from origins of at least 100 miles away. Tourism attractions are sites and facilities that draw visitors from a distance because of their scenic, historic, cultural, scientific, educational, and/or recreational attributes. Tourist attraction projects also serve and provide facilities that service community activities along with regional activities. The projects focus on meeting and improving multi-faceted facilities for assisting in economic development at the local, regional, and statewide level. Tourist attractions meeting the national and state CDBG objectives, which are given priority include:

- Historic restoration, rehabilitation and preservation, such as, buildings or sites either listed in the National Register of Historic Places or eligible for listing, state or local inventory as a historic place, or designated as a state or local landmark or historic district;
- Scientific and educational interpretive sites and facilities, such as, on-site heritage living/work environments, cultural awareness centers and scientific educational centers;
- Heritage, historical, and cultural recreational sites and facilities, such as, buildings or sites either listed in the National Register of Historic Places or eligible for listing, state or local inventory as a historic place, or designated as a state or local landmark or historic district; and
- Supporting activities for the removal of materials and architectural barriers that restrict the mobility and accessibility to existing sites/facilities for elderly and severely disabled persons.

Ineligible activities (sites, attractions, and establishments) which serve more often as tourism support facilities, other than attractions, which include: eating and drinking establishments, commercial lodging accommodations, gasoline stations, commercial rest areas, and gift shops.

C. Grant Amount and Matching/Leverage

Maximum grant is \$350,000 and the minimum is \$50,000 per community/unincorporated county. There is a range of CDBG funds from \$700,000 to \$0 estimated for distribution in the Tourism category.

All CDBG TD category projects require a minimum 25% (3 CDBG: 1 other) match of CDBG funds with funds from other (non-CDBG) sources. At a maximum, no more than one-half of the total project match may be in-kind source contributions. And at a minimum, at least one-half of the total project matches must be non-CDBG cash contributions. General administration activities require no matching funds.

Examples of Match

Because a 25% match is required, this would mean that for every dollar of project costs, 75% of the project costs could come from CDBG and another 25% would come from local matching funds. This results in a 3 to 1 cost share ratio. For example, a project that is estimated to cost \$36,000 would allow for \$27,000 in CDBG funds for activities [\$36,000 times 75%] and \$9,000 would be required as match [\$36,000 times 25%]. In addition, the applicant would be allowed 10% of the CDBG allocation, whichever is greater for General Administration. General Admin does not require any matching funds. Given the 3:1 model described above, it is necessary to determine the total project budget before calculating CDBG and matching funds.

D. Threshold and Review Criteria for Submitting Letter of Intent and Applications

Tourism Development/Applicant Submission and Grantee Selection:

Eligible local governments may individually or jointly apply and receive more than one grant per year in the Tourism Development.

Applications for CDBG TD awarded are accepted and considered on an open cycle. Tourism Development applications will be accepted beginning May 2017. Applications will be submitted as prescribed in the Tourism Development application guidelines.

Threshold requirements must be met prior to review. Applications will not be considered and returned if the following threshold requirements are not met:

- applicant is eligible;
- activities are eligible and comply with national CDBG objectives and state CDBG priorities;
- applicant has no significant, unresolved audit finding;
- applicant has no legal actions underway that may significantly impact its capacity;
- applicant is following a detailed citizen participation plan and anti-displacement plan; and
- applicant has adopted authorizing participation resolution.
- applicant must have addressed and cleared all compliance problems (i.e. Davis-Bacon, acquisition, fair housing, etc.), if any, from past awards and have responses accepted by DED;
- applicant is current with all reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, etc.)

Tourism Development applicants meeting threshold requirements are reviewed by DED according to the Selection Criteria Matrix. When more than one application is under review, those ranking highest in competitive order shall be selected for funding subject to the amount of funds available for each priority. Otherwise, an applicant under individual review will be scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

Applications recommended for approval through these processes will be presented to DED's director and to the office of the Governor for grant award. The DED director has the authority to ask for reconsideration of recommended project awards to assure compliance with the submission and selection criteria. The Department will send a formal Notice of Approval letter to the applicant community receiving application approval.

Tourism Development – Selection Criteria Matrix

The matrix on this page delineates each selection criterion as a numerical score applied to the Tourism Development Initiative. The minimum total threshold score is 500 points (including no criterion with 0 points scored). Each selection criterion includes a separate minimum threshold score for qualifying the application. All selection criteria will be scored in five point increments with all scored criterion divisible by five. Each selection criterion shall be scored on a scale. See chart below.

(1)	(2)	(3)	(4)	(5)	
FINANCIAL	IMPACT	SUSTAINABILITY	BENEFIT	READINESS	TOTAL
150	240	240	220	150	1,000

Financial Support- the level of financial support (public and/or private) already committed to the project will be compared to other applicants with: 0-50 below average – lack of cash on hand or committed; average; 51-100 average – a solid commitment of cash that meets match requirements; and 101-150 above average – cash on deposit or otherwise secured that meets match requirements. (Maximum 150 points with a minimum threshold of 50 points)

Project Impact- the project’s potential for long-term positive impacts on local and regional economies will be compared to other applicants with: 0-80 below average – minimal impact on area support facilities and other attractions; 81-160 average – some impact provided on area support facilities and other attractions; and 161-240 above average – a strong impact on area support facilities and other attractions. (Maximum 240 points with a minimum threshold of 81 points)

Sustainability- the project’s potential for being a long-term operation will be compared to other applicants with: 0-80 below average – serious shortages in personnel budget, a plan to effectively operate, and ability to maintain facility for a long time; 81-160 average – some lack in personnel, budget, and/or plan to effectively manage, operate, and maintain the facility for a long time; and 161-240 above average – personnel, budget, and plan are

in place to effectively manage, operate, and maintain the facility for a long period of time. (Maximum 240 points with a minimum threshold of 81 points)

Benefit - how the project will benefit the region’s and state’s existing tourism industry will be compared to other applicants with: 0-74 below average – no or minimal benefit identified in the application; 75-149 average – project provides some uniqueness to state’s inventory of attractions, and 150-220 above average – project is a distinct/unique attraction that is not repeated in region or state. (Maximum 220 points with a minimum threshold of 75 points)

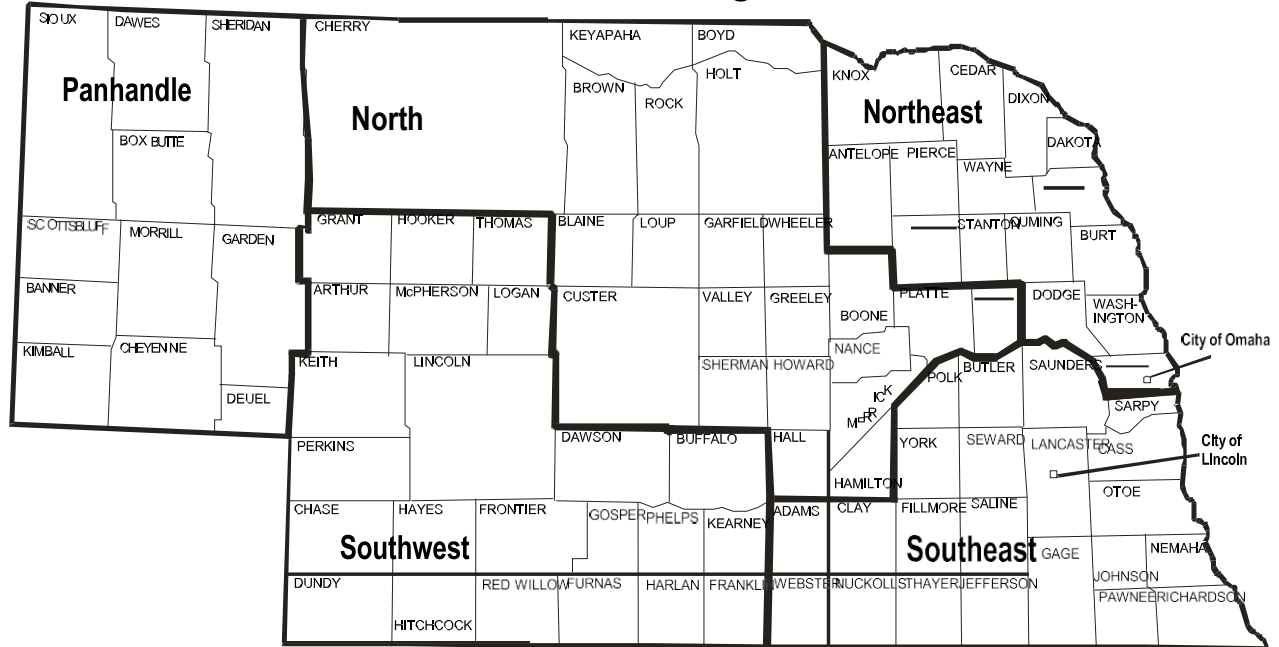
Readiness - the project’s readiness to proceed, complete construction, and open within two years of the project award date will be compared to other applicants with: 0-50 below average – no demonstrated timeline or unsure of when ready to open the project to the public; 51-100 average some doubt as to ability to complete project in a timely manner; and 101-150 above average – plans, land, and financing for operations ensure readiness to open within two years or sooner. (Maximum 150 points with a minimum threshold of 51 points)

Below is a summary of the milestones that would be completed during a CDBG TD project.

Milestone Summary	Dates
Full Application submitted to DED	Open Cycle, beginning May 1 2017
Communities selected/awarded CDBG Resources	TBD

NEBRASKA HOMELESS ASSISTANCE PROGRAM (NHAP) AND EMERGENCY SOLUTIONS GRANT (ESG) ADDITIONAL INFORMATION

Continuum of Care Region



Nebraska Homeless Assistance Program (NHAP) Continuum of Care Regions

- Region 1: Panhandle** (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, Deuel counties)
- Region 2: North Central** (Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, Valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, Hamilton counties)
- Region 3: Southwest** (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Redwillow, Furnas, Harlan, Franklin counties)
- Region 4: Southeast** (Polk, Butler, Saunders, Sarpy, York, Seward, Lancaster [Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, Richardson counties)
- Region 5: Northeast** (Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, Douglas counties [Omaha excluded])
- Region 6: Lincoln**
- Region 7: Omaha**

**U.S. Department of Housing and Urban Development's
Emergency Solutions Grant (ESG)**

**Nebraska Homeless Assistance Program
(NHAP)
Standards**

Adopted by the Nebraska Balance of State CoC on June 10, 2015

Nebraska Balance of State CoC
WRITTEN STANDARDS FOR ESG/CoC
SERVICE Delivery

Adopted by the Nebraska Balance of State CoC on June 10, 2015.

Contents

GENERAL STANDARDS 2

 PARTICIPANT ELIGIBILITY 2

 COORDINATED ASSESSMENT..... 4

 PROGRAM COORDINATION..... 5

 HMIS..... 6

 INCOME DETERMINATION..... 7

 CONNECTION WITH OTHER RESOURCES..... 7

 TERMINATION OF ASSISTANCE..... 8

 LEAD-BASED PAINT 8

 SAFETY, SANITATION & PRIVACY..... 8

 CONFLICTS OF INTEREST 10

 HOMELESS PARTICIPATION 11

 FAITH-BASED ACTIVITIES 11

 PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION..... 11

 NONDISCRIMINATION/EQUAL OPPORTUNITY/AFFIRMATIVE OUTREACH 11

 PROGRAM INCOME 11

 RECOVERED MATERIALS..... 12

 DISPLACEMENT..... 12

 RECORDS & RECORDKEEPING..... 13

STREET OUTREACH STANDARDS..... 16

 MINIMUM STANDARDS..... 16

EMERGENCY SHELTER STANDARDS..... 17

 MINIMUM STANDARDS..... 17

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING STANDARDS 18

 ELIGIBILITY/PRIORITIZATION..... 18

PARTICIPANT CONTRIBUTION.....	18
RENTAL ASSISTANCE DURATION AND ADJUSTMENT	19
SERVICE TYPE, AMOUNT & DURATION.....	19
RE-EVALUATIONS	23
TRANSITIONAL HOUSING STANDARDS	23
ELIGIBILITY/PRIORITIZATION.....	23
LIMITATION ON OCCUPANCY	24
PARTICIPANT CONTRIBUTION.....	24
PROGRAM FEES.....	24
OCCUPANCY AGREEMENTS	24
PERMANENT SUPPORTIVE HOUSING STANDARDS.....	24
ELIGIBILITY/PRIORITIZATION.....	24
Housing First.....	25
PARTICIPANT CONTRIBUTION.....	26
PROGRAM FEES.....	26

Each Emergency Solutions Grant (ESG) and Continuum of Care (CoC) funded service provider shall comply with the minimum written standards established by the Nebraska Balance of State Continuum of Care. Each provider may decide to set standards on their provision of ESG/CoC that exceed these minimum standards, but will at the very least comply with the following:

GENERAL STANDARDS

PARTICIPANT ELIGIBILITY:

Minimum standards for evaluating individual and family eligibility for assistance under Emergency Solutions Grant (ESG) and Continuum of Care (CoC) are:

- **Street Outreach** – People who are qualify as ‘unsheltered homeless,’ based on category (1)(i) of the “homeless” definition found at 24 CFR 576.2 are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.101): *engagement, case management, emergency health and mental health services, transportation*

- **Emergency Shelter** – People who qualify as ‘homeless,’ based on categories (1, 2, or 4) of the “homeless” definition found at 24 CFR 576.2 are eligible for the following activities, in compliance with federal ESG rules (24 CFR 576.102): *case management; child care; education, employment and life skills services; legal services; health, mental health and substance abuse services; transportation*
NOT ALLOWABLE: Mortgage and mortgage arrearage payments.

- **Rapid Re-housing** – CoC and ESG funded rapid rehousing will follow the standards as set forth below. People who qualify as ‘homeless,’ based on categories (1 or 4) of the “homeless” definition found at 24 CFR 576.2 and/or 578.3 and who are moving into a housing unit that meets HUD’s habitability and lead-based paint standards are eligible for the following activities, in compliance with federal ESG and CoC rules (24 CFR 576.104, 576.105, 576.106, 578.37, 578.51 and 578.77.). Persons who meet the ‘category 2’ homeless definition are eligible for CoC funded Rapid Rehousing provided the project was not funded under special NOFA conditions (reallocated projects) that limit eligibility to those living on the streets or in shelters. Additionally persons receiving rapid rehousing through the ESG program must have incomes at or below 30% of the area median income (AMI) at annual recertification:
 - **Housing Relocation and Stabilization Services:** *moving costs, rent application fees (ESG only), security deposits, last month’s rent, utility deposits, utility payments,(ESG only) housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management*
 - **Rental Assistance:** *short-term (up to 3 months) and medium-term (4-24 months) rental assistance, up to 24 months total during a 3-year period in tenant-based or project-based housing*
 The 24 months may include a one-time payment for up to 6 months of rent arrears on the tenant’s portion of the rent (arrearages covered under ESG only). Rent amount must not exceed HUD’s published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Each provider offering rapid rehousing must reevaluate the need for continued assistance every 90 days. Continued assistance will be provided for up to three (3) months at a time. Eligibility and income shall be reviewed no less frequently than annually. Participants in rapid rehousing are required to meet with case managers no less frequently than monthly.
NOT ALLOWABLE: Mortgage and mortgage arrearage payments.

- **Homelessness Prevention** – People who qualify as ‘at risk of homelessness,’ based on categories (2 or 4) of the “homeless” definition or based on the “At risk of homelessness” definition found at 24 CFR 576.2 and who reside in a housing unit that meets HUD’s habitability and lead-based paint standards and have an annual income

below 30% of Area Median Income (AMI), are eligible for the following services, in compliance with federal ESG rules (24 CFR 576.103, 576.105, 576.106):

- **Housing Relocation and Stabilization Services:** *moving costs, rent application fees, security deposits, last month's rent, utility deposits, utility payments, housing search/placement, housing stability case management, mediation and legal services, credit repair/budgeting/money management*
- **Rental Assistance:** *short-term (up to 3 months) and medium-term (4-24 months) rental assistance, up to 24 months total during a 3-year period in tenant-based or project-based housing*

The 24 months may include a one-time payment for up to 6 months of rent arrears on the tenant's portion of the rent. Rent amount must meet the federal requirements for Fair Market Rent (24 CFR 888) and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental agreement between the landlord and agency and a written lease between tenant and landlord.

NOT ALLOWABLE: Mortgage and mortgage arrearage payments.

- **Transitional Housing.** Transitional housing facilitates the movement of homeless individuals and families to permanent housing within 24 months of entering the housing. Eligible persons for transitional housing meet the homeless definition based on categories 1, 2 and 4. Providers of transitional housing services shall arrange for or make available services to participants to assist them in securing permanent housing within specified time periods. Transitional housing may be provided in scatter site or single site locations. Individuals and families assisted in transitional housing shall be provided housing accommodations as well as a services program intended to address issues that may hinder the household from obtaining or maintaining stable long term housing.
- **Permanent Supportive Housing for Persons with Disabilities.** Eligible households include individuals with disabilities and families in which one adult or child has a disability. To be served households must also meet the definition of homelessness according to category 1 and 4. Supportive services designed to meet the needs of program participants must be made available to participants. Permanent supportive housing may be provided on a scatter site or single site basis using tenant based rental assistance, leasing or operating costs to support the operations of a supportive housing facility as well as supportive services to meet resident needs.

Any permanent support housing developed in the continuum of care is required to follow the Housing First model described in these standards.

COORDINATED ASSESSMENT:

Minimum standards for centralized or coordinated assessment system are:

- Once the Continuum of Care has developed and adopted a centralized or coordinated assessment system in accordance with HUD's requirements (24 CFR Part 578) all providers within the Continuum of Care's area, except for victim service providers, shall use that assessment system.
- A victim service provider may choose not to use the Continuum of Care's assessment system. However, all victim service providers are required to use a centralized or coordinated assessment system that meets HUDS's minimum requirements.
- This shall include the use of a standardized assessment tool by all providers to determine the appropriate intervention to address the episode of homelessness and the prioritization of individuals and families for assistance based on the severity of their service needs and the length of time homeless.
- Ongoing training and support will be provided to all CoC and ESG funded providers in the assessment, prioritization and placement process.

PROGRAM COORDINATION:

Minimum standards for program coordination consist of on-going system and program coordination and integration of ESG and CoC funded activities to the maximum extent practicable with the following:

- a. Emergency shelter providers, essential services providers, homelessness prevention, transitional housing, permanent supportive housing and rapid rehousing assistance providers;
- b. Other homeless assistance providers, including:
 - HUD-Veterans Affairs Supportive Housing (HUD-VASH);
 - Education for Homeless Children and Youth Grants for State and Local Activities (McKinney-Vento Homeless Assistance Act);
 - Grants for the Benefit of Homeless Individuals;
 - Healthcare for the Homeless;
 - Programs for Runaway and Homeless Youth;
 - Projects for the Assistance in the Transition from Homelessness;
 - Services in Supportive Housing Grants;
 - Emergency Food and Shelter Program;
 - Transitional Housing Assistance Grants for Victims of Sexual Abuse, Domestic Violence, and Stalking Program;
 - Homeless Veterans Reintegration Program;
 - Domiciliary Care for Homeless Veterans Program;
 - VA Homeless Providers Grant and Per Diem Program;
 - Health Care for Homeless Veterans Program;
 - Homeless Veterans Dental Program;
 - Supportive Services for Veterans Families Program; and

- Veterans Justice Outreach Initiative
- c. Mainstream service and housing providers:
- Public housing programs assisted under section 9 of the U.S. Housing Act of 1937;
 - Housing programs receiving Section 8 tenant based or project based assistance;
 - Supportive Housing for Persons with Disabilities;
 - HOME Investment Partnerships Program;
 - Temporary Assistance for Needy Families;
 - Health Center Program;
 - State Children’s Health Insurance Program;
 - Head Start;
 - Mental Health and Substance Abuse Block Grants;
 - Services funded under the Workforce Investment Act; and
 - State Housing Related Assistance Program for Adults with Serious Mental Illness
- d. Continuum of Care (CoC) Networks:
- Local Continuum of Care (CoC) meetings – *Nebraska has seven geographic regions, each has a Local CoC;*
 - Balance of State (BoS) Continuum of Care and BoS Committee meetings – *Each of the five Local CoCs (excluding Omaha & Lincoln) has two voting representatives on the BoS CoC;*
 - Governor’s Commission on Housing and Homelessness (includes provider representatives); and
 - Various other committees, task forces and workgroups.
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HMIS:

Minimum standards for ESG data are:

- Providers, except for victim service providers shall actively utilize the Homeless Management Information System (HMIS), to enter data on people served and assistance provided under ESG.
- Victim service providers shall actively utilize a comparable data system that meets HUD’s standards (24 CFR 576.107).
- Every four years, the Balance of State CoC will engage in a procurement process to select the HMIS lead and to manage the HMIS system. The HMIS lead will be responsible for CoC, ESG, and NHAP HMIS activities. Continuity is a critical factor in a well-run HMIS system; therefore preference in the procurement may be granted to the existing provider.
- The HMIS provider will recommend to the CoC an HMIS software solution for the CoC.
- The HMIS lead is responsible for:
 - Maintaining and updating the HMIS data system

- Providing training and support to all HMIS users
 - Supporting a HMIS coordinator in each of the CoC's regions
 - Generating regular reports based on HMIS data including counts of homeless persons and performance reports on CoC and ESG funded providers.
 - Providing reports to HUD as required including the Annual Homelessness Assessment Report (AHAR).
 - The CoC has also designated the HMIS lead to assist in implementing the system of coordinated access to be used in the CoC.
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INCOME DETERMINATION:

Minimum standards for determination of an individual or family's annual income consist of calculating income in compliance with 24 CFR 5.609. Annual income is defined as:

Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of 24 CFR 5.609.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Individuals and families assisted under ESG are required to have annual incomes at or below 30% of Area Median. There are no income limits for CoC assistance but in all instances in which participants are charged rent or occupancy charges, the amount charged must be based on participant's verified annual income for all sources.

In verifying income, ESG and CoC funded providers are required to obtain third party verification whenever possible. Self-certification or verification is to be accepted only when all efforts have been made to obtain third party verification have not produced results.

CONNECTION WITH OTHER RESOURCES:

Minimum standards for connection with other resources consist of assisting each participant to obtain, if applicable:

- Appropriate support services including:
 - Permanent housing;
 - Medical health treatment;
 - Behavioral health services;
 - Counseling;
 - Supervision; and
 - Other services needed for independent living.
- Other governmental and private assistance available to help with housing stability including:

- Medicaid;
 - Medicare
 - Supplemental Nutrition Assistance Program;
 - Women, Infants and Children (WIC);
 - Federal-State Unemployment Insurance Program;
 - Supplemental Security Income (SSI);
 - Social Security Disability Insurance (SSDI);
 - Child and Adult Care Food Program; and
 - Other available assistance.
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TERMINATION OF ASSISTANCE:

Minimum standards for termination of assistance are:

- **In general** – If a program violation occurs and the provider terminates assistance as a result, the termination shall follow an established process that recognizes the rights of the individuals affected. Termination shall only occur in the most severe cases after other remedies have been attempted.
 - **Due process rights for individuals and families facing program termination** – When an ESG or CoC funded homeless assistance program seeks to terminate participation for any household, the required formal process shall minimally consist of:
 - Written notice clearly stating the reasons for termination;
 - Review of the decision that gives the participant opportunity to present objections to the decision and to have representation. Any appeal of a decision shall be heard by an individual different from and not subordinate to the initial decision-maker; and
 - Prompt written notice of the final decision on the appeal.
 - **Ability to provide further assistance** – Termination will not bar the provider from providing later additional assistance to the same family or individual.
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LEAD-BASED PAINT:

Minimum standards for all shelters and program participant-occupied housing consist of compliance with the lead-based paint remediation and disclosure requirements identified in 24 CFR 576.403, including the Lead-Based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856) and implementing regulations in 24 CFR part 35, subparts A, B, H, J, K, M and R.

SAFETY, SANITATION & PRIVACY:

Minimum standards for all shelters and program participant-occupied housing consist of compliance with the safety, sanitation & privacy requirements identified in 24 CFR 576.403 and 578.75, including:

Minimum standards for emergency shelters:

Any building for which ESG funds were used for conversion, major rehabilitation or other renovation or that receives ESG assistance for shelter operations shall meet state/local government safety and sanitation standards, as well as the following:

- Structure and materials–The building must be structurally sound, protect participants from the elements and not pose any threats to their health or safety.
- Products and appliances–Any ESG funded renovation, including major rehabilitation and conversion, must use Energy Star and WaterSense products/appliances.
- Access–The shelter must comply with the applicable Rehabilitation, Fair Housing and Americans with Disabilities Acts and implementing regulations.
- Space and security–Unless it is a day shelter, it must provide appropriate places to sleep, adequate space, and security for residents and their belongings.
- Interior air quality–Each shelter room/space must have proper ventilation and be pollutant free.
- Water supply–Must be free of contamination.
- Sanitary facilities–Each participant must have access to sufficient, sanitary facilities that are in proper operating condition, private and adequate for personal cleanliness and disposal of human waste.
- Thermal environment–The shelter must have the necessary, properly operating heating/cooling facilities.
- Illumination and electricity–The shelter must have adequate and appropriate lighting and safe electrical sources.
- Food preparation–Any food preparation areas must be able to store, prepare, and serve safe and sanitary food.
- Sanitary conditions–The shelter must be in sanitary condition.
- Fire safety–Each occupied unit of the shelter must have at least one working smoke detector and when possible they should be near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas must have at least one working detector and there must be a second means of exiting the building in the event of an emergency.

Minimum standards for permanent and transitional housing – Providers shall not use ESG or CoC funding to help someone remain or move into housing if the housing does not meet the following minimum habitability standards.

- Structure and materials–The building must be structurally sound, protect participants from the elements and not pose any threats to their health or safety.
- Space and security–Each resident must have adequate space and security for themselves and their belongings and an acceptable place to sleep.
- Interior air quality–Each room or space must have proper ventilation and be pollutant free.
- Water supply–Must be free of contamination.
- Sanitary facilities–Residents must have access to sufficient, sanitary facilities that are in proper operating condition, private and adequate for personal cleanliness and disposal of human waste.

- Thermal environment–The housing must have the necessary, properly operating heating/cooling facilities.
 - Illumination and electricity–The structure must have adequate and appropriate lighting and safe electrical sources.
 - Food preparation–All food preparation areas contain suitable space and equipment to store, prepare, and serve safe and sanitary food.
 - Sanitary conditions–The housing must be in sanitary condition.
 - Fire safety:
 - There must be a second means of exiting the building in the event of an emergency.
 - Each unit must include at least one properly working smoke detector on each occupied level of the unit, located when possible in a hallway adjacent to a bedroom.
 - If the unit is occupied by a hearing-impaired person, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom he or she occupies.
 - The public areas of the housing must be equipped with a sufficient number of detectors, but not less than one for each area.
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CONFLICTS OF INTEREST:

Minimum standards for conflicts of interest are:

Organizational conflicts of interest:

- ESG and CoC assistance will not be contingent on the individual's or family's acceptance or occupancy of emergency shelter or housing owned by the provider or a provider's subsidiary or parent.
- No provider, with respect to individuals or families occupying housing owned by the provider or a provider's subsidiary or parent, will carry out the initial evaluation under 24 CFR 576.401 or administer homelessness prevention assistance under 24 CFR 576.103.

Individual conflicts of interest:

- When procuring goods and services, the provider will comply with codes of conduct and conflict of interest requirements under 24 CFR 84.42 (private non-profit) or 24 CFR 85.36 (government).

All transactions/activities:

- No CoC board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents.
 - **Conflicts prohibited** – No person involved with the ESG or CoC programs or who is in a position to participate in a decision-making process or gain inside information regarding the program's activities, shall obtain a financial interest or benefit from an assisted activity; have a financial interest in any related contract, subcontract, or assisted activity; or have a financial interest in the activity's proceeds (either himself or herself or those with whom he or she has family or business ties) during his or her tenure or for one year following tenure.
 - **Persons covered** – These conflict of interest provisions apply to any employee, agent, consultant, officer or elected or appointed official of the provider's agency.

- **Exceptions** – A provider may request an exception to these provisions from HUD, only if he or she meets the threshold requirements identified in 24 CFR 576.404 and/or 578.95(d)(2)
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HOMELESS PARTICIPATION:

Minimum standards for homeless participation are:

- Each funded provider of CoC or ESG assistance must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or equivalent policymaking entity of the provider. (24 CFR 578.75(g))
- To the maximum extent possible, the provider shall involve homeless individuals and families in paid or volunteer work on the ESG or CoC funded facilities, in providing services under ESG or CoC and in providing services for occupants of ESG or CoC funded facilities (24 CFR 576.405 and 578.75).

FAITH-BASED ACTIVITIES:

Minimum standards for faith-based activities (24 CFR 576.406 and 578.87) are:

- Providers receiving ESG/CoC funding shall not engage in inherently religious activities as part of the ESG/CoC-funded programs or services. Such activities must be offered separately from ESG/CoC-funded programs and services and participation must be voluntary.
 - A religious organization receiving ESG/CoC funding retains independence from government and may continue with its mission provided that ESG/CoC funds are not used to support inherently religious activities. An ESG/CoC-funded organization retains its authority over its internal governance.
 - An organization receiving ESG/CoC funding shall not discriminate against a participant or prospective participant based on religion or religious beliefs.
 - ESG/CoC funding shall not be used for the rehabilitation of structures used specifically for religious activities, but may be used for rehabilitating structures that are used for ESG/CoC-eligible activities.
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PROHIBITION AGAINST INVOLUNTARY FAMILY SEPARATION. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to any housing or shelter receiving funding from either ESG or CoC (578.93(e))

NONDISCRIMINATION/EQUAL OPPORTUNITY/AFFIRMATIVE OUTREACH:

Minimum standards shall comply with the requirements for nondiscrimination, equal opportunity and affirmative outreach identified in §576.407 and 578.93(a-b).

PROGRAM INCOME:

Minimum standards for private non-profit organizations for program income earned during the project period are that the program income shall be retained and used to finance the non-Federal share of the project or program. Records of the receipt and use of program income shall be retained. Program income may not be used to meet matching funding requirements.

RECOVERED MATERIALS:

Minimum standards for the procurement of recovered materials shall comply with the requirements identified in §576.407(f) and 578.99(b), including that the recipient and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

DISPLACEMENT: Minimum standards for minimizing the displacement of persons (families, individuals, businesses, nonprofit organizations and farms) as a result of a project assisted under ESG and/or CoC shall comply with §576.408 and/or 578.83 and consist of:

Minimizing displacement – Consistent with ESG/CoC goals and objectives, the providers shall minimize displacing people as a result of ESG/CoC-funded projects.

Temporary relocation not permitted - No temporary relocation shall be required for an ESG/CoC-funded project. When a tenant has to move for an ESG/CoC-funded project, the tenant shall be treated as permanently displaced and offered relocation assistance and payments.

Relocation assistance for displaced persons -

In general – A displaced person shall be provided relocation assistance and advised of his or her Fair Housing Rights.

Displaced Person - A “displaced person” is defined as any person that moves from a permanent home as a result of ESG/CoC-funded acquisition, rehabilitation, or demolition of a project.

A person does not qualify as a “displaced person” if the person:

- Was evicted based on a violation of the lease or occupancy agreement; violation of the law; and the recipient determines that the eviction was not undertaken to evade the obligation to provide relocation assistance.
- Moved into the property after the application was submitted but was provided with written notice that he or she would not qualify as a “displaced person.”
- The person is ineligible under 49 CFR 24.2.
- HUD determines that the person was not displaced as a result of the project.

The State or the provider may request that HUD determine whether or not a displacement would be covered by this rule.

Real property acquisition requirements – The acquisition of real property for an ESG/CoC funded project is subject to the URA and Federal government wide regulations.

Appeals - A person who disagrees with the recipient's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance may file a written appeal. A low-income person who disagrees with the recipient's determination may submit a written request for review of that determination by HUD.

RECORDS & RECORDKEEPING:

Minimum standards shall ensure sufficient written records are established and maintained to enable the State and HUD to determine whether ESG/CoC requirements are being met and comply with §576.500 and 578.103, including the following:

- CoC records shall include the following documentation related to establishing and operating the Continuum of Care:
 - Evidence that the Board selected meets the requirements of 578.5(b);
 - Evidence that the CoC has been established and operated as set forth in subpart B of 24 CFR part 578 including published agendas and meeting minutes, an approved Governance Charter that is reviewed and updated annually, a written process for selecting a board that is reviewed and updated at least every five years, evidence required for designating a single HMIS for the CoC, and monitoring reports of recipients and sub-recipients.
 - Evidence that the CoC has prepared the HUD application for funds in accordance with 578.9
- Program participant records shall include written:
 - Determination and verification/certification that the program participant met the criteria for being Homeless or At Risk of Homelessness and that an effort was made to obtain written third-party verification, when possible and applicable.
 - For CoC funded projects, acceptable evidence of homeless status as set forth in 576.500(b).
 - Determination and verification/certification that the program participant was eligible or ineligible for the particular services and/or financial assistance
 - Determination and verification/certification that the program participant lacked sufficient resources and support networks to provide the assistance
 - Determination and verification/certification that the program participant met income requirements and that an effort was made to obtain written third-party verification, when possible and applicable. This includes annual documentation of income for each program participant who receives housing assistance where rent or an occupancy charge is paid by the program participant.

- Determination and verification/certification that the only households served through permanent supportive housing meet HUD's requirements of having a family member be a person with disabilities.
 - Identification of the specific services and financial assistance amounts that were provided to the program participant
 - When applicable, verification that the services were terminated in compliance with 576.402 and/or 578.91.
 - When adopted by the Continuum of Care, a copy of the CoC-approved centralized or coordinated assessment of the program participant
 - Copies of written leases and rental agreements, documentation of payments made, including dates of occupancy, and compliance with fair market rent, rent reasonableness and utility allowance requirements
 - Determination and verification that the housing unit met HUD's habitability and lead-based paint standards
 - Copy of individualized housing stability plan
 - Notes verifying case management services were provided at least monthly, unless exempt from this requirement
 - Notes verifying program participant's eligibility was re-evaluated at least every 3 months for homelessness prevention services or at least annually for rapid rehousing services
 - Notes verifying program participant was assisted to obtain necessary mainstream and other resources
- Program policies and procedures shall indicate:
 - Services are coordinated with Continuum(s) of Care, other homeless assistance/prevention programs and mainstream service and assistance programs
 - Compliance with HUD's ESG (24 CFR 576 and 578) requirements for:
 - Shelter and housing standards
 - Conflict of interest
 - Homeless participation
 - Faith-based activity
 - Nondiscrimination, equal opportunity and affirmative outreach
 - Uniform administrative rules (24 CFR part 84)
 - Environmental review
 - Lobbying and disclosure (24 CFR part 87)
 - Displacement, relocation and acquisition
 - Procurement (24 CFR 84.40-84.48)
 - Program participant records are kept secure and confidential
 - Participation in HMIS or comparable database
- Financial records shall include:
 - Supporting documentation for all costs charged to ESG or CoC grant

- Documentation showing ESG or CoC funds were spent on allowable costs in accordance with the requirements for eligible activities and costs principles
 - Documentation of the receipt and use of program income
 - Documentation of the receipt and use of matching funds
 - Copies of procurement contracts
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STREET OUTREACH STANDARDS

MINIMUM STANDARDS:

Targeting/Engagement:

Providers of Street Outreach services shall target unsheltered homeless individuals and families, meaning those with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station airport or camping ground.

Assessment/Service Provision/Referral/Prioritization:

- Individuals and families shall be offered an initial need and eligibility assessment and qualifying program participants, including those meeting special population criteria, will be offered the following Street Outreach services, as needed and appropriate: engagement, case management, emergency health and mental health, transportation services.
- When appropriate based on the individual's needs and wishes, the provision of or referral to rapid rehousing services that can quickly assist individuals to obtain safe, permanent housing shall be prioritized over the provision of or referral to emergency shelter or transitional housing services.

EMERGENCY SHELTER STANDARDS

MINIMUM STANDARDS:

- **Admission:**
Providers of Emergency Shelter services shall admit individuals and families who meet the HUD definition of “homeless,” as specified in 24 CFR 576.2 (1, 2, & 4) and agencies’ eligibility criteria.
- **Assessment:**
Individuals and families shall be offered an initial need and eligibility assessment and qualifying program participants, including those meeting special population criteria, will be offered Emergency Shelter services, as needed and appropriate. Assessment shall be based on the coordinated assessment process employed by the CoC.
- **Prioritization/Diversion/Referral:**
When appropriate based on the individual’s needs and wishes, the provision of or referral to Homeless Prevention or Rapid Rehousing services that can quickly assist individuals to maintain or obtain safe, permanent housing shall be prioritized over the provision of Emergency Shelter or Transitional Housing services.
- **Reassessment:**
Program participants will be reassessed as case management progresses, based on the individual service provider’s policies.
- **Discharge/Length of Stay:**
Program participants shall be discharged from Emergency Shelter services when they choose to leave or when they have successfully obtained safe, permanent housing. Any Length of Stay limitations shall be determined by the individual service provider’s policies and clearly communicated to program participants. Providers of shelter services are strongly encouraged not to discharge individuals and families who have not secured permanent housing and maintain those households in shelter until they can be placed in appropriate permanent housing.
- **Safety and Shelter Safeguards for Special Populations:**
Safety and Shelter Safeguards shall be determined by the individual Special Population service provider’s policies and clearly communicated to program participants.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING STANDARDS

ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive homelessness prevention assistance and which eligible families and individuals shall receive rapid rehousing assistance are:

- **Rapid Re-housing (RR)** – To be eligible for RR Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance, people must:
 - Meet the federal criteria under category (1) of the “homeless” definition in 24 CFR 576.2 [ESG funded programs]
 - Meet the criteria under category (4) of the “homeless” definition in 24 CFR 576.2 and live in an emergency shelter or other place described in category (1) of the “homeless” definition. [ESG funded programs]
 - Program participant’s annual income, at annual review must be less than or equal to 30% of the Area Median Income [ESG Funded programs only]
 - Meet the federal requirements under categories 1, 2, or 4. (literally homeless, imminently losing primary nighttime residence, and fleeing domestic violence) for CoC funded projects
 - All participants must lack sufficient resources or support networks to retain housing without ESG or CoC assistance.
- **Homelessness Prevention (HP) ESG** – To be eligible for HP Housing Relocation and Stabilization Services and Short-term and Medium-term Rental Assistance, people must require HP services to prevent moving into an emergency shelter or another place described in category (1) of the “homeless” definition in 24 CFR 576.2, have an annual income below 30% of the median income for the area and:
 - Meet the federal criteria under the “at risk of homelessness” definition in 24 CFR 576.2 OR
 - Meet the criteria in category (2), or (4) of the “homeless” definition in 24 CFR 576.2.
- **Priority populations for Rapid Rehousing.**
In providing rapid rehousing assistance, providers shall prioritize the following sub-populations:
 - Families with children;
 - Domestic violence survivors;
 - Single persons without long term disabilities; and
 - Veterans, especially those persons who have served in the US military but are not eligible for services from the Department of Veterans Affairs (VA) or who are unable to access services from the VA.

PARTICIPANT CONTRIBUTION:

Minimum standards for determining what percentage or amount of rent and utilities costs each program participant shall pay while receiving homelessness prevention or rapid rehousing assistance are:

- Participant's income shall be verified prior to approval for initial and additional financial assistance. Documentation of the participant's income and expenses, including how the participant is contributing to housing costs, if at all, shall be maintained in participant's file. This file shall also contain a plan to sustain housing following the assistance, including either a plan to increase income or decrease expenses or both.
- Participants are not required to contribute rent. Providers funded under ESG or CoC may pay up to 100 percent of the reasonable rent and utility costs for program participants. Providers may, at their discretion, choose to impose rental charges on participants. In the event that providers elect to charge rent or occupancy charges, these charges may not exceed those established in 24 CFR 578.77.
- Any additional requirements regarding the percentage or amount of rent and utilities costs each program participant shall pay shall be determined by the individual service provider's policies and clearly communicated to program participants.

RENTAL ASSISTANCE DURATION AND ADJUSTMENT:

Minimum standards for determining how long a particular program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time are:

- Participants receive approval for the minimum amount of financial assistance necessary to prevent homelessness. Documentation of financial need shall be kept in the participant's file for each month of financial assistance received. Participants shall not be approved for more rental assistance than can be justified given their income and expenses at a given time.
- Approval for rental assistance shall be granted in three month increments. Providers must re-assess the continuing need for rental assistance before approving an additional three month increment. In no event will assistance under rapid rehousing exceed 24 months in any 36 month period.
- Any additional requirements regarding how long a program participant shall be provided with rental assistance and whether and how the amount of that assistance shall be adjusted over time shall be determined by the individual service provider's policies and clearly communicated to program participants.

SERVICE TYPE, AMOUNT & DURATION:

Minimum standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid rehousing assistance that each program participant shall receive, such as the maximum amount of assistance, maximum number of months the program participant may receive assistance; or the maximum number of times the program participant may receive assistance are:

- **Financial Assistance:**
 - **Use with other subsidies** – Payment for Financial Assistance costs shall not be provided to a participant who is receiving the same type of financial assistance through other public sources or to a participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.
 - **Rental application fees [ESG only]** – Payment shall only be made for fees charged by the owner to all applicants.
 - **Security deposits** – Payment shall not exceed two (2) month’s rent.
 - **Last month’s rent** – Payment shall not exceed one (1) month’s rent and shall be included in calculating the participant’s total rental assistance.
 - **Utility deposits [ESG/CoC]** – Payment shall only be made for gas, electric, water and sewage deposits.
 - **Utility payments [ESG only]:**
 - Payment shall not exceed 24 months per participant, including no more than 6 months of utility payments in arrears, per service.
 - A partial payment counts as 1 month.
 - Payment shall only be made if the utility account is in the name of the participant or a member of the same household.
 - Payment shall only be made for gas, electric, water and sewage costs.
 - Participants shall not receive more than 24 months of utility assistance within any 3-year period.
 - **Moving costs [ESG/CoC]** – reasonable one-time moving expenses are eligible.
- **Housing Relocation and Stabilization Services:**
 - **Housing search and placement services** – Payment shall only be made for assisting participants to locate, obtain and retain suitable permanent housing through provision of the following services:
 - Assessment of housing barriers, needs and preferences
 - Development of an action plan for locating housing
 - Housing search
 - Outreach to and negotiation with owners
 - Assistance with submitting rental applications and understanding leases
 - Assessment of housing for compliance with ESG requirements for habitability, lead-based paint and rent reasonableness
 - Assistance with obtaining utilities and making moving arrangements
 - Tenant counseling

Payment for housing search and placement services shall not exceed 24 months during any 3-year period.
 - **Housing stability case management** – Payment shall only be made for assessing, arranging, coordinating and monitoring the delivery of individualized services to facilitate housing stability for a participant who resides in permanent housing or

to assist a participant in overcoming immediate barriers to obtaining housing through provision of the following services:

- Using the centralized or coordinated assessment system
- Conducting the initial evaluation, including verifying and documenting participant eligibility
- Counseling
- Developing, securing and coordinating services and obtaining Federal, State and local benefits
- Monitoring and evaluating participant progress
- Providing information and referral to other providers
- Developing an individualized housing and service plan
- Conducting re-evaluations

Payment for housing stability case management services provided while the participant is seeking permanent housing shall not exceed 30 days.

Payment for housing stability case management services provided while the participant is living in permanent housing shall not exceed 24 months.

- **Mediation [ESG only]** – Payment shall only be made for the cost of mediation between the participant and the owner or person with whom the participant is living, if it is necessary to prevent the participant from losing the permanent housing where he/she resides. Payment for mediation services shall not exceed 24 months during any 3-year period.
- **Legal services** – Payment shall only be made for the cost of legal services, if they are necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the participant losing the permanent housing where he/she resides. Payment for legal services shall not exceed 24 months during any 3-year period. Assistance may NOT be provided for immigration and citizenship matters. Payment arrangements may NOT include retainer or contingency fee agreements. Eligible subject matters for legal services include: child support, guardianship, paternity, emancipation, legal separation, orders of protection for victims of domestic violence, appeal of benefit claim denials, landlord tenant disputes and resolution of outstanding criminal warrants. Only approved Legal Services provider through NHAP can provide ESG legal services.
- **Credit repair [ESG only]** – Payment shall only be made for the cost of assisting the participant in obtaining skills related to household budgeting, managing money, accessing a free personal credit report and resolving personal credit problems. Payment will not be made for a debt or modification of a debt. Payment for credit repair services shall not exceed 24 months during any 3-year period.

- **Rental Assistance:**

- Payment shall not exceed 24 months total during a 3-year period in tenant-based or project-based (ESG only) housing.
- Payment for short-term rental assistance shall not exceed 3 months.
- Payment for medium-term rental assistance shall be for more than 3 months, but shall not exceed 24 months.
- Payment for rent arrears shall not exceed 6 months and shall be a one-time payment, including any late fees [ESG funded projects only – CoC not eligible]
- Except for a one-time payment of rental arrears on the participant's portion, payment shall not be provided to a participant who is receiving tenant-based rental assistance or living in a unit receiving project-based assistance or to a participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments. [ESG only]
- Payment shall not exceed the Fair Market Rent established by HUD and shall comply with HUD's standard of rent reasonableness (24 CFR 982.507).
- Calculation of the rental payment amount shall only include monthly rent for the unit, any occupancy fees under the lease (except for pet and late fees) and if the participant pays separately for utilities, the monthly utility allowance established by the public housing authority for the area in which the housing is located.
- Payment shall only be made when there is a rental assistance agreement between the agency and the owner, which sets forth the terms under which rental assistance will be provided, including the prior requirements; a requirement that the owner provide the subrecipient with a copy of any notice to vacate given to the participant or any complaint used to commence an eviction action; and the same payment due date, grace period and late payment penalty requirement as the participant's lease.
- Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
- Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner, except for payment of rental arrears (ESG only).
- Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

- **Tenant-Based Rental Assistance**

The rental assistance agreement with the unit owner shall be terminated without further payment if:

- The participant moves out of the unit
- The lease terminates and is not renewed
- The participant becomes ineligible to receive ESG/CoC rental assistance

- **Project-Based Rental Assistance [ESG only]**

Payment shall only be made under the following conditions:

- The lease has an initial term of one year
- The rental assistance agreement covers one or more permanent housing units in the same building
- Each unit covered by the agreement is only occupied by participants
- Payment will only be made for up to 100% of the first month's rent, if the participant signs a lease and moves into the unit before the end of the month

Any additional requirements regarding the type, amount, and duration of housing stabilization and/or relocation services that will be provided to a program participant, including any limitations shall be determined by the individual service provider's policies and clearly communicated to program participants.

RE-EVALUATIONS:

Minimum standards for completing eligibility re-evaluations of individuals and families are:

Timing:

- Homelessness Prevention – participants shall be re-evaluated not less than once every three months
- Rapid Rehousing – participants shall be re-evaluated not less than once annually

Eligibility:

- The participant shall have an annual income that is 30 percent of median family income for the area or less, as determined by HUD [ESG only]; and
- The participant shall lack sufficient resources and support networks necessary to retain housing without ESG/CoC assistance.

TRANSITIONAL HOUSING STANDARDS

ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive transitional housing are:

- To be eligible for transitional housing people must: Meet the federal criteria under category (1), (2) or (4) of the "homeless" definition in 24 CFR 576.2

Transitional housing shall be prioritized to serve the following populations of eligible homeless people:

- Youth
- Persons seeking to continue recovery in recovery-focused housing
- Institutional re-entry (may not be eligible for CoC funding but needed from people leaving criminal justice and mental health facilities)

- Persons fleeing domestic abuse or violence where it is not possible to find units for rapid rehousing

LIMITATION ON OCCUPANCY

No individual or family may be assisted in transitional housing for a period in excess of 24 months. No person shall be discharged from transitional housing into homelessness as a result of this limitation. Transitional housing programs are expected to place individuals and families into permanent housing within 12 months. Programs that maintain participants for longer than 24 months or those with over half their participants remaining for over 12 months may have their funding discontinued.

PARTICIPANT CONTRIBUTION

Individuals and families residing in transitional housing are not required to pay rent. Providers of transitional housing may impose occupancy charges. If the provider elects to charge rent or occupancy charges, the charges may not exceed those specified in 578.77.

PROGRAM FEES

No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants.

OCCUPANCY AGREEMENTS

All individuals and families served in transitional housing must be provided an occupancy agreement for a minimum of a monthly term and which can be renewed provided that the household does not remain in transitional housing for longer than 24 months. The agreement must specify the requirements for program participation. With the exception of programs providing recovery focused services for persons with substance use disorders, residents in transitional housing may not be required to participate in disability related services. Participants may be required to participate in services that are not disability related and may discharge participants for failure to participate in these services. No person may be terminated from transitional housing without first being provided the right to appeal that decision in accordance with the due process provisions at 24 CFR 578.91(b)

PERMANENT SUPPORTIVE HOUSING STANDARDS

ELIGIBILITY/PRIORITIZATION:

Minimum standards for determining and prioritizing which eligible families and individuals shall receive permanent supportive housing are:

Page 24 of 27

- To be eligible for permanent supportive housing people must: Meet the federal criteria under category (1) or (4) of the “homeless” definition in 24 CFR 576.2. Eligible households include individuals with disabilities and families in which one adult or child has a disability.
 - **Priority populations for Permanent Supportive Housing.** In providing permanent supportive housing, providers shall prioritize the following populations:
 - Persons who are highly vulnerable with severe service needs;
 - Those who have been homeless for the longest period of time or who have had repeated episodes of homelessness over an extended period.
 - Veterans.
 - **Order of priority in CoC program funded permanent supportive housing beds dedicated to persons experiencing chronic homelessness, and PSH beds prioritized for occupancy by persons experiencing chronic homelessness.**
 - First priority: chronically homeless individuals and families with the longest history of homelessness and with the most severe service needs.
 - Second priority: chronically homeless families and individuals with the longest history of homelessness.
 - Third priority: chronically homeless individuals and families with the most severe service needs.
 - **Order of priority in permanent supportive housing beds not dedicated or prioritized for persons experiencing chronic homelessness:**
 - First priority: homeless individuals and families with a disability and the most severe service needs;
 - Second priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
 - Third priority: homeless individuals and families with a disability with a long period of continuous or episodic homelessness.
 - Fourth priority: homeless individuals and families with a disability coming from transitional housing.
 - **Single, Prioritized Wait List for Permanent Supportive Housing**
 - The Balance of State CoC will establish a single, prioritized wait list for permanent supportive housing. The wait list will be prioritized according to the order of priority identified above. The single priority waitlist and referral process will allow CoC participants to exercise freedom of choice. Participants may be offered access to housing that is not within their home communities but shall not require participants to relocate in order to obtain housing assistance.
 - **Housing First.** Providers of permanent supportive housing shall use the Housing First model as outlined below. Any new projects funded by the CoC must use the Housing First model. Any existing permanent supportive housing project that has indicated in application to HUD that it employs the Housing First model must follow the standards as set forth below. Existing permanent supportive housing projects that have not indicated Housing First are ‘grandfathered’ from this policy.

- **Housing First projects:**
 - Housing is not contingent on compliance with services – participants are provided with a standard one year lease agreement. The lease agreement can only be terminated in accordance with the State of Nebraska Uniform Residential Landlord and Tenant Act (76-1401 to 76-1449)
 - Participants are provided with services and supports to help maintain housing and prevent eviction.
 - There is no requirement for sobriety prior to being offered housing and admission shall not be conditioned on credit or background checks. Criminal backgrounds will be considered only to the extent necessary to protect safety and well-being.
 - Participants shall be given choice in their housing subject to program limitations.
 - Participants are not required to participate in services but providers are required to persistently and consistently seek to engage participants.
 - Providers are encouraged to support staff in implementing Evidence Based Practices that support Housing First (Critical Time Intervention, Motivational Interviewing, Stages of Change)
- Projects that are designated as Housing First shall be contractually obligated to follow these principles and will be subject to monitoring.
 - o Payment for rental assistance shall only be made when there is a rental assistance agreement between the agency and the owner, which sets forth the terms under which rental assistance will be provided, including the prior requirements; a requirement that the owner provide the subrecipient with a copy of any notice to vacate given to the participant or any complaint used to commence an eviction action; and the same payment due date, grace period and late payment penalty requirement as the participant’s lease.
 - o Payment of any late payment penalties incurred by the agency shall not be claimed for reimbursement.
 - o Payment shall only be made when there is a legally binding, written lease for the rental unit between the participant and the owner.
 - o Payment shall only be made for units that have been inspected for HUD Housing Quality Standards and re-inspected no less frequently than annually. Rental assistance shall not be paid on behalf of any unit that does not meet Housing Quality Standards.

PARTICIPANT CONTRIBUTION

Individuals and families residing in permanent supportive housing are required to pay rent. Rent charges may not exceed those specified in 578.77.

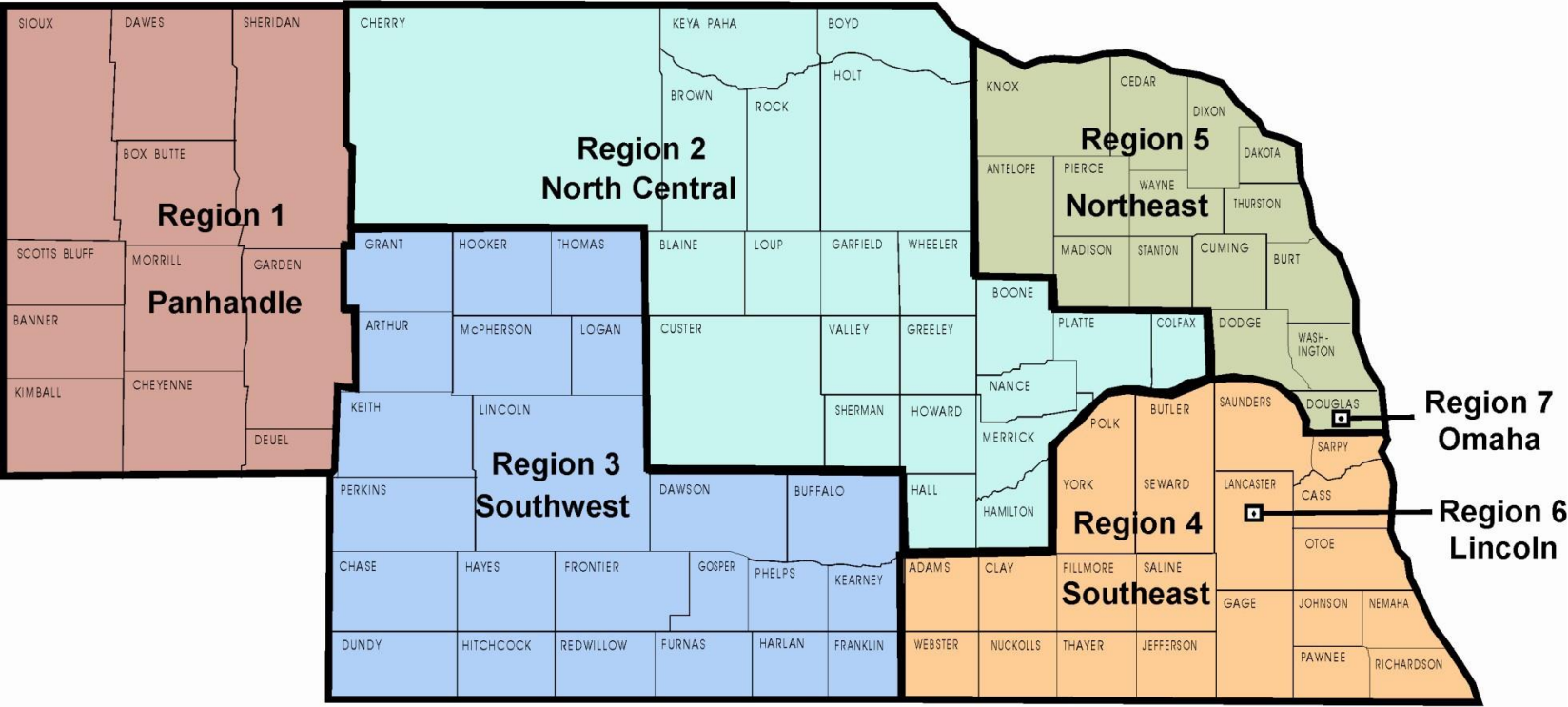
PROGRAM FEES

No fee other than rent or occupancy charges as specified above may be charged to program participants. This includes meals, copayments for services, transportation and all other services that may be provided to program participants

NHAP Performance Measures

Program Measures	Street Outreach	Shelter	Homeless Prevention	Rapid Rehousing
Exited to Permanent Housing	Increase %	Increase %	Increase %	Increase %
Exited to Unknown Destination	Decrease %	Decrease %	Decrease %	Decrease %
Exited to Shelter	Increase %			
Exited with Earned Income and/or Mainstream Benefits	Increase %	Increase %	Increase %	Increase %
Average Occupancy		Analyze		
Average Length of Stay in Shelter (days)		Analyze		
Average Length of Service	Analyze	Analyze	Analyze	Analyze

NEBRASKA HOMELESS ASSISTANCE PROGRAM REGIONAL CONTINUUMS OF CARE



MAP 75 1/04

State of Nebraska
National Housing Trust Fund (HTF)
Allocation Plan

Includes information on Substantial Amendment
to State's 2015-2019 Consolidated Plan and 2016
Annual Action Plan

Table of Contents

I. General Information.....3
 Introduction.....3
 HTF Allocation Plan.....4
II. Grantee Information4
 III. Consolidated Plan Requirements.....4
 Citizen Participation Plan.....4
 Consolidated Plan Screens to Revise5
IV. Strategic Plan Requirements.....5
 Strategic Plan Screens to Revise5
V. Annual Action Plan Requirements6
 Annual Action Plan Screens to Revise.....6
 HTF Funding Priorities.....7
 Supplemental Information regarding Distribution of HTF Funds and Uses of Funds8
Recipient Application Requirements, Threshold Requirements10
NDED Housing Priorities and Scoring Criteria11
Application Process, Selection Criteria and Scoring: The Seven Criteria of Equal Consideration with Points Assigned11
 Performance Goals and Benchmarks.....15
VI. Other Requirements15
 Maximum Per-unit Development Subsidy Amount15
 Supplemental Information for Maximum Per unit Subsidy15
 Rehabilitation Standards.....18
 Supplemental Information for Rehabilitation Standards.....18
 Resale and/or Recapture Provisions18
 HTF Affordable Homeownership Limits18
 State Limited Beneficiaries or Preferences19
 Supplemental Information for State Limited Beneficiaries or Preferences19
 Refinancing of Existing Debt20
Attachment A: NDED HTF Rehabilitation Standards A1
Attachment B: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation A18
Attachment C: NDED Minimum Rehabilitation Standards A22

I. General Information

Introduction

The National Housing Trust Fund (NHTF) is a new affordable housing production program that will complement existing Federal, State, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

The National Housing Trust Fund (HTF) was established under Title I of the Housing and Economic Recovery Act (HERA) of 2008, Section 1131 (Public Law 110-289). Section 1131 of HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 et seq.) to add a new section 1337, entitled "Affordable Housing Allocation" and a new section 1338 entitled "Housing Trust Fund."

The U.S. Department of Housing and Urban Development (HUD) published the proposed HTF formula rule (FR-5246-P-01) on December 4, 2009, and the proposed program rule (FR-5246-P-02) on October 29, 2010. On January 30, 2015, HUD published an interim program rule (FR-5246-I-03). The interim rule provides the guidelines for states to implement the HTF.

On April 26, 2016, HUD issued a notice (CPD-16-07) to provide guidance to HTF grantees on Fiscal Year 2016 HTF Allocation Plans. The Fiscal Year 2016 HTF formula allocation amounts for HTF were published on May 6, 2016.

HUD plans to issue a final rule for the HTF after States have had experience administering the program and are able to offer comments regarding the initial implementation. The first year of the program is crucial in demonstrating States' ability to effectively use this new funding source.

Funding for the HTF comes from an assessment on loans made by Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae). The amount available for allocation is the amount set aside by Fannie Mae and Freddie Mac for the HTF during their fiscal year (January 1-December 31). Allocations will be formula based, but statute requires that each state receive a minimum allocation of \$3 million. If additional funds are available after each state and the District of Columbia (DC) receives the minimum allocation, Puerto Rico and each insular area will receive an allocation. However, if HTF funds are insufficient to provide the minimum grant to each state and DC, HUD will publish a notice in the federal register for public comment, describing an alternative method for allocating grants. Any amounts that become available for reallocation (i.e. grant reductions, recaptured funds, etc.) shall be added to the amounts for formula allocation in the succeeding fiscal year.

As per the HUD published allocation amount, for Fiscal Year (federal) 2016, Nebraska will receive \$3 million.

HTF Allocation Plan

The Housing Trust Fund (HTF) Interim Rule (24 CFR Part 93) made the consolidated plan regulations at 24 CFR Part 91 applicable to the HTF. As a result, an HTF grantee (i.e., a State) must include HTF in its citizen participation plan (§ 91.115), strategic plan (§91.315), and annual action plan (§ 91.320). In addition, the State must submit to HUD for review and approval an HTF allocation plan with its annual action plan (§ 91.320(k)(5)). Also, as required in § 91.10, the HTF program must be administered by the State on the same program year it established for all grant programs covered by the consolidated plan.

The HTF allocation plan is an annual submission to HUD that describes how the State will distribute the HTF funds, including how it will use the funds to address its priority housing needs. The allocation plan also describes what activities may be undertaken with HTF funds and how recipients and projects will be selected. The State of Nebraska, Department of Economic Development (DED) has been designated by the Governor as the Nebraska recipient of National Housing Trust Fund (HTF) resources from the U.S. Department of Housing and Urban Development (HUD).

Nebraska will receive a HTF grant amount of \$3,000,000 in 2016. HTF funds will be used for rental housing for extremely low income persons (at 30% of the Area Median Income). In accordance with 24 CFR 93, DED will

allocate 10% of its grant (\$300,000) for program planning and administration expenses. The remainder of resources (\$2,700,000) will be utilized for new construction or rehabilitation of HTF units and for operating assistance or operating assistance reserves.

II. Grantee Information

State: Nebraska FY 2016 HTF Allocation Amount: \$3,000,000

III. Consolidated Plan Requirements

Citizen Participation Plan

The consolidated plan regulation at § 91.115 requires the State to include HTF in its citizen participation plan.

- the amount of HTF assistance the State expects to receive,
- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households, and
- the State’s plans to minimize displacement of persons and to assist any persons displaced.

If the State has not yet conducted citizen participation or did not include HTF in the citizen participation it performed for other HUD formula grant programs, then it must conduct citizen participation to include HTF as part of its consolidated plan.

For the purposes of HTF, the State is required to make the following information below available to the public:

- the amount of HTF assistance the State expects to receive. **The State of Nebraska expects to receive \$3,000,000 in HTF resources.**
- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households. **Nebraska DED, in administering HTF funds will utilize approximately \$2,700,000 in HTF resources for activities that 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).**
- the State’s plans to minimize displacement of persons and to assist any persons displaced. **DED will ensure that if rehabilitation is completed in tenant occupied units that displacement will be minimized and will ensure tenants are assisted if displaced. DED will also work closely with any project development team in limiting any displacement.**

Consolidated Plan Screens To Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS must be revised to include HTF.

- **ES-05 / AP-05 Executive Summary:** § 91.320(b)- The Executive Summary includes seven narratives: (1) Introduction; (2) Summary of Objectives and Outcomes; (3) Evaluation of Past Performance; (4) Summary of the Citizen Participation and Consultation Process; (5) Summary of Public Comments; (6) Summary of Comments Not Accepted; (7) Summary.
- **PR-05 Lead & Responsible Agencies:** §91.300(b)
- **PR-10 Consultation:** §91.110, §91.300 (b); §91.315(l)
- **PR-15 Citizen Participation:** § 91.115 and § 91.300(c)- revise this screen to provide a summary of the citizen participation efforts made for HTF, including efforts to broaden public participation, a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

IV. Strategic Plan Requirements

The State must amend the affordable housing section of the strategic plan to include specific objectives that describe proposed accomplishments the State hopes to achieve and must specify the number of extremely low-income families to which the State will provide affordable housing to (homeownership- § 93.302; rental- § 93.304) over a specific period of time. The State can complete this requirement by including HTF on the SP-45 Goals screen.

Strategic Plan Screens to Revise

The following screens in the eCon Planning Suite strategic plan template in IDIS were revised to include HTF.

- **SP-10 Geographic Priorities:** § 91.315(a)(1)- revised this screen to discuss how investments are allocated geographically.
- **SP-25 Priority Needs:** § 91.315(a)(2)- revised this screen to indicate the general priorities for allocating investment of available resources among different needs.
- **SP-30 Influence of Market Conditions:** § 93.315(b)- revised this screen to describe how the characteristics of the housing market influenced the State's decisions regarding allocation priorities among the types of housing assistance.
- **SP-35 Anticipated Resources:** § 91.315(a)(4); § 91.320(c)(1) and (2)- revised this screen to identify the federal, state, local, and private resources expected to be available to the State to address priority needs and specific objectives identified in the strategic plan.
- **SP-45 Goals:** § 91.315(a)(4) and § 91.315 (b)(2)- revised this screen to summarize the State's priorities and the specific goals it intends to initiate and/or complete within the term of the strategic plan. The State also ensured its five year goals included any accomplishments due to HTF funds and must also enter the number of extremely low-income families to which the State will provide assistance with its HTF funds.

V. Annual Action Plan Requirements

The State must include HTF in its annual action plan or amend the plan to include HTF information as required in § 93.320(k)(5). The action plan must include an HTF allocation plan that describes the distribution of HTF funds, and establishes the application requirements and selection criteria of applications submitted by eligible recipients that meet the State's priority housing needs.

Annual Action Plan Screens to Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS were revised to include HTF.

- **AP-15 Expected Resources:** § 91.320(c)(1) and (2)- revised this screen to provide a concise summary of the federal resources expected to be available. The HTF resources added to the SP-35 Anticipated Resources screen will carry over to this screen.
- **AP-20 Annual Goals and Objectives:** § 91.320(c)(3) and (e)- revised this screen to summarize the specific goals the State intends to initiate and/or complete within the term of the program year. Any HTF related goals and objectives entered on the SP-45 Goals screen will carry over to this screen.
- **AP-25 Allocation Priorities:** § 91.320(d)- revised this screen to describe the reasons for the State's allocation priorities and how the proposed distribution of funds will address the priority needs and goals of the strategic plan.
- **AP-30 Method of Distribution:** § 91.320(d) and (k5)- revised this screen to include a description of its method(s) for distribution for the "Other – Housing Trust Fund" selection based on the entry made on the SP-35 Anticipated Resources screen.
- **AP-50 Geographic Distribution:** § 91.320(f)- revised this screen to describe the geographic areas of the state in which it will direct assistance during the ensuing program year and provide rationale for its priorities in allocating investment geographically.
- **AP-55 Affordable Housing:** § 91.320(g)- revised this screen to specify goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing within the program year.

- **AP-65 Homeless and Other Special Needs Activities:** § 91.320(h)- revised this screen to describe how HTF will help to address the State’s one-year goals and actions for reducing and ending homelessness, if applicable.
- **AP-75 Barriers to Affordable Housing:** § 91.320(i)- revised this screen to describe how HTF will help with any actions the State’s will take during the next year to reduce barriers to affordable housing.
- **AP-85 Other Actions:** § 91.320(j)- revised this screen to describe how HTF will help with any actions the State will take during the next year to carry out the following strategies outlined in the consolidated plan:
 - Foster and maintain affordable housing;
 - Evaluate and reduce lead-based paint hazards;
 - Reduce the number of poverty-level families;
 - Develop institutional structure; and
 - Enhance coordination.

In addition, the State must identify obstacles to meeting underserved needs and propose actions to overcome those obstacles using HTF funds, if applicable.

HTF Funding Priorities-§ 91.320(k)(5)(i)

The State is responsible for distributing HTF funds throughout the State according to its housing priority needs. In addition to revising the AP- 30 Method of Distribution screen in IDIS, the State must respond to the following questions.

1. Will the State distribute HTF funds through grants to subgrantees? If yes, describe the method for distributing HTF funds through grants to subgrantees and how the State will make those funds available to units of general local governments. If no, state N/A. Please attach response if you need additional space.

N/A

Nebraska will not distribute HTF funds through subgrantees.

2. Will the State distribute HTF funds by selecting applications submitted by eligible recipients? If yes, describe the eligibility requirements for applicants as defined in §93.2- definition of recipient. If no, state N/A. Please attach response if you need additional space.

Yes, Nebraska will distribute HTF funds 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; public housing authorities; and State designated Community Housing Development Organizations 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:

- 1) 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;
- 2) Demonstrate the ability and financial capacity to undertake, comply, and manage the eligible activity;
- 3) 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
- 4) 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.

Supplemental Information regarding Distribution of HTF Funds and Uses of Funds

A. Forms of Assistance

Eligible uses of funds include: loans, grants, equity investments, and other State approved forms of assistance.

B. Allocations and Set Asides

1. Nebraska will reserve a portion of the State’s annual HTF allocation to affordable rental, multi-family projects in coordination with Nebraska Investment Finance Authority (NIFA) through the joint DED/NIFA application for low income housing tax credit applications within the Collaborative Resource Allocation for Nebraska (CRANE) application cycle. This allocation will be referred to as the “CRANE Set Aside”.

For 2016, the amount available to multi-family projects in CRANE will be \$500,000.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

2. Nebraska will allocate a portion of the State’s annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These pilot 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”.

For 2016, the amount available for a HTF Special Needs project will be \$700,000.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

3. 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 Set Aside.”

For 2016, the amount available for permanent housing will include:

\$500,000 within the Omaha Continuum of Care;
\$500,000 within the Lincoln Continuum of Care; and
\$500,000 within the Balance of State (BoS) Continuum of Care.

Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.

The above mentioned amounts reflect the allocation of \$2,700,000 in HTF resources. The remaining \$300,000 in funds will be used by the State for planning and administration.

3. Will the State distribute HTF funds by selecting application submitted by eligible recipients? If yes, describe all the criteria that will be used to select applications and the relative importance of these criteria. At a minimum, as required in §91.320(k)(5)(i), the selection criteria must include:

- Priority based upon geographic diversity
- Applicant’s ability to obligate HTF funds
- Applicant’s ability to undertake eligible activities in a timely manner
- For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low income families
- For rental housing, the duration of the units’ affordability period
- The merits of the application in meeting the State’s priority housing needs (please describe)

- **The extent to which application makes use of non-federal funding sources**
- **Other (please describe). Please attach response if you need additional space.**

Yes, Nebraska will distribute HTF funds by selecting applications submitted by eligible recipients. 90 percent of the HTF funds will benefit extremely low income (ELI) households for rental housing and 10 percent will be used for administrative 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;
- 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 grant 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.

Recipient Application Requirements- § 91.320(k)(5)(ii)

1. Will the State require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in § 93.200- Eligible activities?

Yes No

2. Will the State require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements?

Yes No

Threshold Requirements

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 Nebraska 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.

6. 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:
 - a. Required application forms submitted: all required NDED-provided forms for current year application will be posted on the NDED website prior to the beginning of the application cycle.
 - 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 NDED 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.

7. 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).
8. Demonstrate the financial feasibility of the project.
9. Certify that housing assisted with HTF funds will comply with HTF requirements
10. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.

NDED 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 all 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:

4. The application with the greatest amount of additional subsidy per unit;
5. The application with a proposed project under the Targeted Set-Aside or Special-Needs Set-Aside;
6. The most complete application as determined by the State's completeness review team.

NDED reserves the right to deny HTF funding to any applicant or project regardless of scoring determination if the NDED application evaluation determines a proposed project is not financially viable or feasible.

Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration with Points Assigned (Answering the relative importance of the readiness of projects in the selection process (the scoring), 'Undertaking Projects in a Timely Manner')

The Nebraska DED 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. The following seven selection criteria, all given equal consideration, will be used to determine HTF allocation of funds, and to evaluate and select HTF applications to be awarded HTF dollars.

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

– Priority based upon geographic diversity: Geographic Diversity Criteria (up to 10 points)

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

CRANE Set Aside

For HTF applicants applying within the CRANE Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycle for CRANE achieves geographic diversity by awarding 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.

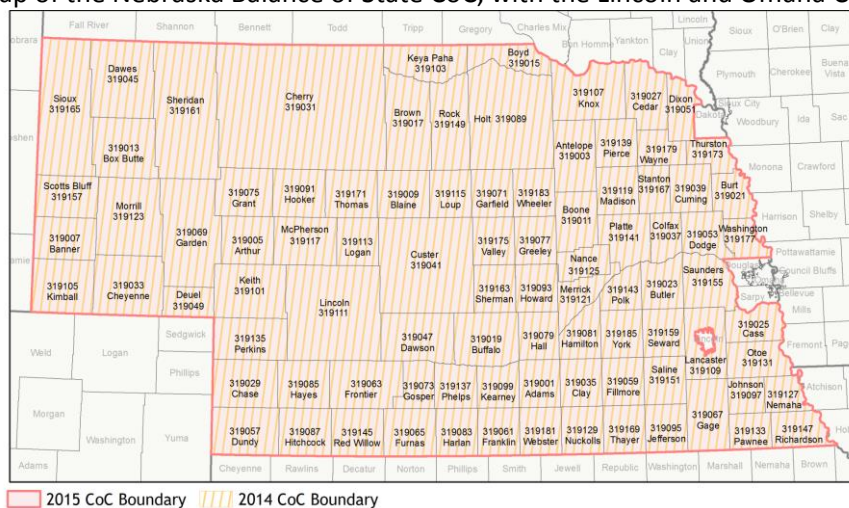
Targeted Needs Set Aside

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. See also the CoC map below.

Map of the Nebraska Balance of State CoC, with the Lincoln and Omaha CoCs excluded below:



Source: HUD Balance of State CoC Dashboard map, August 2016.

Nebraska Homeless Assistance Program (NHAP) Continuum of Care (CoC) Regions

Lincoln CoC: City of Lincoln, located within Lancaster County, in the southeast area of Nebraska, also known as the NHAP Region 6

Omaha CoC: City of Omaha, located in Douglas and Sarpy Counties, in the southeast area of Nebraska, also known as the NHAP Region 7

Balance of State (BoS) CoC: This region consists of the other five regions of the NHAP Program, which are:

- **Region 1: Panhandle (Sioux, Dawes, Sheridan, Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel counties)**
- **Region 2: North Central (Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Boone, Platte, Colfax, Custer, Valley, Greeley, Sherman, Howard, Nance, Hall, Merrick, and Hamilton counties)**
- **Region 3: Southwest (Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Redwillow, Furnas, Harlan, and Franklin counties)**
- **Region 4: Southeast (Polk, Butler, Saunders, Sarpy, York, Seward, Lancaster [Lincoln excluded], Cass, Otoe, Fillmore, Saline, Adams, Clay, Webster, Nuckolls, Thayer, Jefferson, Gage, Johnson, Nemaha, Pawnee, and Richardson counties)**
- **Region 5: Northeast (Know, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, Washington, and Douglas counties [Omaha excluded])**

– Applicant’s ability to obligate HTF funds: Ability to Obligate Funds Criteria (up to 10 points)

Applicants will be evaluated on project readiness, including items such as local approvals, architectural plans, and site control.

– Applicant’s ability to undertake eligible activities in a timely manner: Timeliness Criteria (up to 10 points)

Applicant will be evaluated on their capacity to undertake and complete HTF funded activities in a timely manner. This capacity is evaluated during the HTF application process. Capacity includes evaluating the entire development team, and considerations are made for experience with similar projects; financial and staff capacity; and other factors relevant to the role of the development team. These items include:

- Development staff experience, which includes financial and staff capacity
- Development contractor or partnering agency and their experience
- History of other federally-funded affordable housing projects, including number of projects and whether projects were completed in a timely manner
- Other relevant factors which demonstrate the ability of the team to ensure a successful timely project
- Readiness of the current project application
 - Timeliness determined through the Threshold Requirements completion
 - Letters of commitment and/or executed Memorandum of Agreement with all support services providers associated with the project

– For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so units are affordable to extremely low income families: Project-Based Rental Assistance for ELI Criteria (up to 10 points)

Applicants will be evaluated on the number of project based rental assistance and tenant based rental assistance that is being provided for the project in order to ensure the affordability of rents for ELI families. Applicants must identify and describe the type of assistance and the length of commitment for the assistance in the project to demonstrate and ensure residents do not pay more than 30% of their income towards rent and utilities. Other methods that ensure affordability of ELI households will also

be considered, such as cross-subsidization or operating assistance reserves.

– For rental housing, the duration of the units’ affordability period: Affordability Period Criteria (up to 10 points)

Applicants must commit to keeping the HTF units affordable, including all applicable income and rent restrictions, for a period of no less than 30 years from the date of project completion. Applicants must submit appropriate verification and supporting documents to demonstrate their commitment.

– The merits of the application in meeting the State’s priority housing needs: Priority Housing Needs Criteria (up to 10 points)

HTF applications will be consistent with the State’s Housing Priority Need which is to respond to the needs of affordable, decent, safe, and appropriate housing as part of balanced economic development in Nebraska. The creation and preservation of residential units for extremely low income persons is consistent with the Housing Priority Need and also is consistent with a part of the Homeless Services Priority Need which is to ensure appropriate emergency shelter and/or transitional housing and services for people who are homeless or at imminent risk of becoming homeless.

HTF applications will be evaluated on how the priority housing needs as identified in the State of Nebraska 2015-2019 Consolidated Plan are addressed. That is, what objectives and under which priority need is the application addressing and fulfilling?

The Housing Priority Need is a need for affordable, decent, safe, and appropriate housing. There are four objectives associated with the priority housing need, of which only three are applicable to HTF dollars. Applications will be reviewed to evaluate which of the three applicable objectives are addressed:

4. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
5. Is the project application promoting housing preservation by improving the quality of Nebraska’s existing affordable housing?
6. Does the project application enhance statewide understanding of fair housing law through outreach and education?

The Homeless Services Priority Need has been described previously and has two primary objectives. Applications will be reviewed and evaluated as to whether these objectives are addressed.

3. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
4. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?

– The extent to which application makes use of non-federal funding sources: Non-Federal Funding Sources Criteria (up to 10 points)

Applicants will be evaluated on the quantity, quality, and timeliness of leveraged non-federal funding that will be committed to the proposed project.

The applicant must describe whether there are plans to apply for and/or anticipate a commitment of non-federal sources of funding, which must include the dollar amount, the source(s), and what percentage of the total development cost that the non-federal funding sources represent.

Performance Goals and Benchmarks- § 91.320(k)(5)(iii)

The plan must include performance goals and benchmarks against which the State will measure its progress, consistent with the State’s goals established at § 91.315(b)(2). To comply with this requirement, the State will include HTF housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens in the eCon Planning Suite consolidated plan template in IDIS.

VI. Other Requirements

Maximum Per-unit Development Subsidy Amount- § 91.320(k)(5) and § 93.300(a) The State must establish its

own maximum limitations on the total amount of HTF funds that can be invested per-unit for development of non-luxury housing. The limits must be reasonable, based on actual costs, and adjusted for the number of bedrooms and geographic location of the project. The State may choose to develop its own limits or adopt limits used in other federal programs such as HOME or Low-Income Housing Tax Credit and must submit them with its HTF allocation plan. The State must submit a description of how the HTF maximum per-unit development subsidy amounts were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements. **Indicate below what maximum per-unit development subsidy limits the State will use for its FY 2016 HTF program.**

State developed its own maximum per-unit development subsidy limits and the limits are attached.

State adopted limits used in other federal programs and the limits are attached.

Supplemental Information for Maximum Per Unit Subsidy

During the first year of the program, while Nebraska and its development partners gain experience using HTF to create affordable rental housing to ELI households, 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 times 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits include:

Bedrooms	Section 234 Limit (Elevator) As of 11/18/2015	High Cost %	Maximum HOME Per-Unit Subsidy Limit
0 Bedroom	\$ 58,378.00	240%	\$ 140,107.20
1 Bedroom	\$ 66,923.00	240%	\$ 160,615.20
2 Bedroom	\$ 81,377.00	240%	\$ 195,304.80
3 Bedroom	\$ 105,276.00	240%	\$ 252,662.40
4 Bedroom	\$ 115,560.00	240%	\$ 277,344.00

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 are existing and an acceptable standard; are uniform; are familiar to the housing partners which utilize the resources; and are updated annually.

Below is further evidence to support the decision to utilize the above mentioned per unit subsidy limits.

	Graham Park	Meadow Vista	Heather Estates	Wilderness Falls
Location	Seward	North Platte	Imperial	Falls City
Total Cost	\$2,167,429	\$2,192,111	\$1,870,420	\$3,016,216
Number of Units	11	12	10	16
Total Cost Per Unit	\$197,039	\$182,676	\$187,042	\$188,514
Unit Description	6 3-Bedroom units; 3 4-Bedroom units;	12 3-Bedroom units	6 3-Bedroom units; 2 4-Bedroom units;	14 2-Bedroom units;

	2 3-Bedroom market rate units		2 3-Bedroom market rate units	2 3-Bedroom units
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	Lofts on 24 th Street	Northwest Senior	City Impact	Ambassador & President
Location	Omaha	Omaha	Lincoln	Lincoln
Total Cost	\$4,452,482	\$6,262,366	\$4,354,891	\$7,996,507
Number of Units	20	36	14	71
Total Cost Per Unit	\$222,624	\$173,955	\$311,063	\$112,626
Unit Description	3 2-Bedroom units; 14 3-Bedroom units; 3 4-Bedroom units	36 3-Bedroom units	14 4&5-Bedroom Units	30 SRO Units; 41 1-Bedroom Units

Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b)

If the State intends to use its HTF funds for housing being rehabilitated, it must establish rehabilitation standards that all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion in accordance with § 93.301(b). The standards must provide enough detail on what work is required, how that work should be performed and what materials should be used. The State’s standards may refer to applicable codes or may establish requirements that exceed the minimum requirements of the codes. At a minimum, the rehabilitation standards must 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.

See also Attachments A, B, and C for further information.

Indicate below if the State will use HTF funds for rehabilitation of housing.

The State plans to use HTF funds for the rehabilitation of housing and has attached its rehabilitation standards.

The State will not use HTF funds for rehabilitation of housing.

Supplemental Information for Rehabilitation Standards

Additional information regarding DED Rehabilitation Standards is identified within the Attachments to this HTF Allocation Plan.

Resale and/or Recapture Provisions- §91.320(k)(5)(v) and §93.304(f)

If the State intends to use HTF funds to assist first time homebuyers, it must set forth the guidelines for resale or recapture and obtain HUD specific, written approval, as required in §93.304(f). Approval of the consolidated plan or annual action plan under §91.500 or the failure to disapprove the consolidated plan or annual action plan does not satisfy the requirement for specific HUD approval for resale or recapture guidelines.

Indicate below if the State intends to use HTF funds for first time homebuyers.

The State will use HTF funds to assist first time homebuyers and has attached the applicable resale/recapture provisions.

The State will not use HTF funds to assist first time homebuyers.

HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305

HTF funds may only be invested for the provision of modest housing for homeownership. This means the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area for newly constructed or standard housing. If the State plans to use HTF funds for homebuyer assistance, and does not use the HTF affordable homeownership limits established by HUD, it must determine 95 percent of the median purchase price for single family housing for designated areas across the State. If the State will determine its own affordable homeownership limits, it must determine the limits using the methodology described in § 93.305(a)(2).

Indicate below if the State will use HTF funds for homeownership housing and what affordable homeownership limits it will use.

The State will use HTF funds for homeownership housing and will use the HUD issued limits.

The State will use HTF funds for homeownership housing and has determined its own affordable homeownership limits and the limits are attached.

The State will not use HTF funds for homeownership housing.

State Limited Beneficiaries or Preferences- § 91.320(k)(5)(vii)

The State may limit the beneficiaries or give preferences to a particular segment of the extremely low-income population only if described in the action plan. Any limitation or preference must not violate non-discrimination requirements at § 93.350 and the State must not limit or give preferences to students. The State may also allow rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3), only if such limitation or preference is described in the action plan.

Indicate below if the State will limit beneficiaries or give preferences to a particular segment of the extremely low-income population.

The State will limit beneficiaries and/or give preferences to the following segments of the extremely low-income population. The groups listed have also been identified in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

Supplemental Information for State Limited Beneficiaries or Preferences

A portion of HTF funds will be used for the creation and rehabilitation of permanent housing throughout the state. Within this distribution category, preference will be given to persons who are homeless; persons at risk of becoming homeless; and other special needs populations.

In addition, a portion of HTF resources will be used for the creation of additional housing for the targeted needs populations, including populations that may include: children aging out of foster care, and other populations that are extremely low income with housing shortages throughout the state. Preferences will be made for those populations served through the HTF Targeted Needs category.

Within the joint DED/NIFA CRANE cycle, a portion of HTF resources will be utilized. Preference in this category will be given to special needs populations as defined within the CRANE application. Currently this includes: Housing for individuals with special needs (such as physical or mental disabilities, substance abuse issues, homeless, or those experiencing severe economic distress), including housing for distressed populations with incomes below 30% of the applicable Area Median Income (AMI). At least 30% of the units must serve individuals with special needs.

During the development of the State's HTF Allocation Plan, within the citizen participation process, several respondents identified the need for additional permanent houses for ELI persons and this was one of the reasons that the Permanent Housing Set Aside was established within the Allocation Plan.

In addition, within both the Consolidated Plan and the State's Annual Action Plan, the State discussed the need to continue to find ways in which to provide additional permanent housing for Extremely Low Income persons, including those who are homeless or at-risk of homelessness. From the most recent data it was found that based on ESG household placements only 37% of the household placements were into permanent housing. See also AP-65 of the 2016 AAP and SP-60 of Consolidated Plan.

This limited beneficiary preference also supports the actions planned to reduce the number of poverty-level families which includes utilizing a strong relationship with the Continuum of Care system in order to enhance and promote the stabilization of homeless families and encourage transition to stable households and housing situations. See also AP-85 of the 2016 AAP and SP-70 of the Consolidated Plan.

Other evidence that supports the need for creating a priority for permanent housing is through the findings within the State's "Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska" which is referenced in the State's AAP and also at:

http://opportunity.nebraska.gov/files/crd/nchh/NCHH_OpeningDoors_StateofNE10YearPlantoPreventandEndHomelessness.pdf .

Overall, there continues to be a significant unmet need for permanent housing throughout the state, particularly for ELI persons. HTF resources will be used to further decrease that unmet need.

Refinancing of Existing Debt- § 91.320(k)(5)(viii) and § 93.201(b)

If the State will use HTF funds for refinancing of existing debt, it must establish refinancing guidelines and include them in its consolidated plan. The State's refinancing guidelines must describe the conditions under which it will refinance existing debt. At a minimum, the guidelines must 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. Refinancing of existing debt is only eligible if it is necessary to reduce the overall housing costs and to make the housing more affordable.

Indicate below if the State will permit the refinancing of existing debt.

The State will permit the refinancing of existing debt and the conditions under which the State will refinance existing debt are attached.

The State will not permit the refinancing of existing debt.

ATTACHMENT A
NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT
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), 2012
2. International Existing Building Code, 2012
3. International Energy Conservation Code, 2009
4. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011)
5. International Residential Code, 2012
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:

<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:
 - i. The structures shall all be on an accessible route, in and through the Unit;
 - ii. 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;
 - iii. Units will have ADA Thresholds on all front Doors;
 - iv. Units will have a removable Front and Panel on the Kitchen Sink;
 - v. Units will have reinforcement for future grab bars in all bathrooms, tubs, and showers;
 - vi. Units will have Convenience receptacles, Switches, and controls mounted between 15” and 48” to the usable part of the device;
 - vii. Units shall have 36” wide doors;
 - viii. Units shall have ADA Lever handles on all hardware;
 - ix. Units shall have the required floor space requirements for ranges, sinks, water closets, and lavatories;
 - x. 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.
 - b. Railings
 - i. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
 - ii. Shall meet code requirements for height of protective guards, or have supplemental guards installed.
 - c. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
 - d. 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.

- e. 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
- 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
- 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.

NOTE: Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

Requirements for Site		
Inspectable Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Fencing and Gates	Damaged/Falling/Leaning	Fence or gate is missing or damaged to the point it does not function as it should
	Holes	Hole in fence or gate is larger than 6 inches by 6 inches
	Missing Sections	An exterior fence, security fence or gate is missing a section which could threaten safety or security
Grounds	Erosion/Rutting Areas	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
	Overgrown/Penetrating Vegetation	Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable
	Ponding/Site Drainage	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
Health & Safety	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	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
	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	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors	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
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	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
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Mailboxes/Project Signs	Mailbox Missing/Damaged	Mailbox cannot be locked or is missing
	Signs Damaged	The project sign is not legible or readable because of deterioration or damage
Parking Lots/Driveways/Roads	Cracks	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
	Ponding	3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe
	Potholes/Loose Material	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling
	Settlement/Heaving	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles
Play Areas and Equipment	Damaged/Broken Equipment	More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk
	Deteriorated Play Area Surface	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
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space	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
Retaining Walls	Damaged/Falling/Leaning	A retaining wall is damaged and does not function as it should or is a safety risk
Storm Drainage	Damaged/Obstructed	The sytem 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
Walkways/Steps	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
	Cracks/Settlement/Heaving	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
	Spalling/Exposed rebar	More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches--thay affects traffic ability
Requirements for Building Exterior		
Inspectable Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Doors	Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged Surface (Holes/Paint/Rusting/Glass)	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
	Damaged/Missing Screen/Storm/Security Door	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
	Deteriorated/Missing Caulking/Seals	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Missing Door	Any exterior door that is missing
Fire Escapes	Blocked Egress/Ladders	Stored items or other barriers restrict or block people from exiting
	Visibly Missing Components	Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing
Foundations	Cracks/Gaps	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
	Spalling/Exposed Rebar	Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other
Health and Safety	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	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	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
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors	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
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	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
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Lighting	Broken Fixtures/Bulbs	10% or more of the lighting fixtures and bulbs surveyed are broken or missing
Roofs	Damaged Soffits/Fascia	Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible
	Damaged Vents	Vents are missing or so visibly damaged that further roof damage is possible
	Damaged/Clogged Drains	The drain is damaged or partially clogged with debris or the drain no longer functions
	Damaged/Torn Membrane/Missing Ballast	Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration
	Missing/Damaged Components from Downspout/Gutter	Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior
	Missing/Damaged Shingles	Roofing shingles are missing or damaged enough to create a risk of water penetration
	Ponding	Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials
Walls	Cracks/Gaps	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
	Damaged Chimneys	Part or all of the chimney has visibly seperated 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

	Missing/Damaged Caulking/Mortar	Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage
	Missing Pieces/Holes/Spalling	Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage
	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
Windows	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		
Inspectable Item	Observable Deficiency	
Domestic Water	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
Electrical System	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
Elevators	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function
Fire Protection	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 in any area of the building where a fire extinguisher is required
Health & Safety	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	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Elevator - Tripping	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
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	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
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	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
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping Hazards	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	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
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
HVAC	Boiler/Pump Leaks	Evidence of water or steam leaking in piping or pump packing
	Fuel Supply Leaks	Evidence of any amount of fuel leaking from the supply tank or piping
	General Rust/Corrosion	Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice
	Misaligned Chimney/Ventilation System	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
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	The roof exhaust fan unit does not function
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	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
	Missing Drain/Cleanout/Manhole Covers	A protective cover is missing
Requirements for Common Areas		
Inspectable Item	Observable Deficiency	
Basement/Garage/Carport	Baluster/Side Railings - Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Closet/Utility/Mechanical	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
Community Room	Call for Aid - Inoperable	The system does not function as it should
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long
Kitchen	Ceiling - Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square
Lobby	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate ---not a sanitary surface to prepare food
Office	Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	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
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	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
	Doors - Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Doors - Missing Door	Any door that is missing that is required for the functional use of the space
	Dryer Vent -Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside
	Electrical - Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Electrical - Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
	Electrical - 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
	Electrical - Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Electrical - Missing Breakers	Any open and/or exposed breaker port
	Electrical - Missing Covers	A cover is missing, which results in exposed visible electrical connections

	Floors - Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Floors - Floor Covering Damaged	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Floors - Missing Floor/Tiles	More than 5% of the flooring or tile flooring is missing
	Floors - Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
	Floors - Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
	Floors - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square
	GFI - Inoperable	The GFI does not function
	Graffiti	Any graffiti on any exposed surface greater than 6 inches by 6 inches
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
	HVAC - General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice
	HVAC - Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	HVAC - Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	HVAC - Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
	Lavatory Sink - Damaged/Missing	Sink has extensive discoloration or cracks in over 50% of the basin or the the sink or associated hardware have failed or are missing and the sink can't be used
	Lighting - Missing/Damaged/Inoperable Fixture	More than 10% of the permanent lighting fixtures are missing or damaged so they do not function
	Mailbox - Missing/Damaged	The U.S Postal Service mailbox cannot be locked or is missing
	Outlets/Switches/Cover Plates - Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring
	Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air
	Range/Stove - Missing/Damaged/Inoperable	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
	Refrigerator - Damaged/Inoperable	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
	Restroom Cabinet - Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Shower/Tub - Damaged/Missing	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
	Sink - Missing/Damaged	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Smoke Detector - Missing/Inoperable	Smoke detector is missing or does not function as it should
	Stairs - Broken/Damaged/Missing Steps	A step is missing or broken
	Stairs - Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
	Ventilation/Exhaust System - Inoperable	exhaust fan is not functioning or window designed for ventilation does not open
	Walls - Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
	Walls - Damaged	Any hole in wall greater than 2 inches by 2 inches
	Walls - Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
	Walls - Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
	Walls - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 foot square
	Water Closet/Toilet - Damaged/Clogged/Missing	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
	Windows - Cracked/Broken/Missing 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
	Windows - Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Windows - Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Windows - 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
	Windows - Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
	Windows - Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks
Health & Safety	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	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	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
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	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
	Garbage and Debris - Outdoors	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
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	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
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Pools and Related Structures	Fencing - Damaged/Not Intact	Any damage that could compromise the integrity of the fence
Trash Collection Areas	Chutes - Damaged/Missing Components	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
Requirements for Unit		
Inspectable Item	Observable Deficiency	
Bathroom	Bathroom Cabinets - Damaged/Missing	Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Lavatory Sink - Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Plumbing - Clogged Drains, Faucets	Drain or faucet is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Shower/Tub - Damaged/Missing	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
	Ventilation/Exhaust System - Absent/Inoperable	exhaust fan is not functioning or window designed for ventilation does not open
	Water Closet/Toilet - Damaged/Clogged/Missing	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
Call-for-Aid (if applicable)	Inoperable	The system does not function as it should
Ceiling	Bulging/Buckling/Leaking	Bulging, buckling or sagging ceiling or problem with alignment
	Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long
	Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square

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>	
	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 frames or any security door that is not functioning or is missing</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 rust that affects the integrity of the door surface, or broken/missing glass</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 should</i>	
Electrical System	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality</i>	
	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>	
	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 interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware</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>	
	Floors	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 exposed seams.</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 square</i>	
Health & Safety	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 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>	
	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>	
	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>	
Hot Water Heater	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>	
	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 functioning properly</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>	
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>	
	Inoperable	<i>HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged</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>	
Kitchen	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>	
	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 -- not a sanitary surface to prepare food</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 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-Missing/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>	
	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>	
Laundry Area (Room)	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>	
	Lighting	<i>A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room</i>	
Outlets/Switches	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>	
	Patio/Porch/Balcony	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</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>	
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>	
Walls	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>	
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>	
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>	
	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>	
	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
NDED MINIMUM REHABILITATION STANDARDS
FOR SINGLE-FAMILY AND 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 Vents
 Damaged / Clogged Drains
 Damaged / Torn Membrane / Missing Ballast
 Missing / Damaged Components from Downspout / Gutter
 Missing / Damaged Shingles
 Ponding
 Roof Exhaust System:
 Roof Exhaust Fan(s) Inoperable
 Windows:
 Broken / Missing / Cracked Panes

Damaged Sills / Frames / Lintels / Trim
Damaged / Missing Screens
Missing / Deteriorated Caulking / Seals / Glazing Compound
Peeling / Needs Paint
Security Bars Prevent Egress

Lighting:
Broken Fixtures / Bulbs

4. INTERIOR WALLS, FLOORS, CEILINGS, DOORS, AND WINDOWS – Every interior partition, wall floor, ceiling, door and window shall be structurally sound.

Holes in walls should be re-plastered before new paint is applied.

All interior doors shall be capable of affording privacy for which they were intended.

Other Inspectable Items:

Walls and Ceiling:

Bulging / Buckling
Holes / Missing Tiles / Panels / Cracks
Peeling / Needs Paint
Water Stains / Water Damage / Mold / Mildew
Damaged / Deteriorated Trim

Floors:

Bulging/Buckling
Floor Covering Damage
Missing Flooring Tiles
Peeling / Needs Paint
Rot / Deteriorated Subfloor
Water Stains / Water Damage / Mold / Mildew

Doors:

Damaged Frames / Threshold / Lintels / Trim
Damaged Hardware / Locks
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 splashblocks 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.

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:

- a. It shall be functional;
- b. It shall be unobstructed;
- c. 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;
- d. 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

Frayed Wiring

GFI - Inoperable

Missing Breakers / Fuses

Missing / Broken Cover Plates

Lighting - Missing / Inoperable Fixtures

Emergency Power:

Auxiliary Lighting Inoperable (if applicable)

7. HAZARDOUS ELECTRICAL CONDITIONS – Where any condition of the electrical system in the dwelling or structure is identified as, and constitutes a hazard, the hazardous conditions shall be corrected.
8. HEATING FACILITIES – Heating facilities shall be properly installed, be in working condition and be capable of adequately heating all habitable rooms, and toilet rooms contained therein, or intended for use by the occupants capable of maintaining a room temperature of 68°F (20°C) when the outdoor temperature is within the winter outdoor design temperature for the locality as cited in Appendix D of the International Plumbing Code. Space heaters shall not substitute for a central heating unit.

Every installed central heating system shall comply with the following requirements:

- a. The central heating unit shall be safe and in good working condition;
- b. Every heat duct, steam pipe and hot water pipe shall be free of leaks and obstructions and deliver an adequate amount of heat where intended;
- c. Every seal between any and all sections of a hot air furnace shall be air-tight so noxious gases and fumes will not escape into the heat ducts;
- d. Required clearance from combustible materials shall be maintained;
- e. All chimneys and vents shall have a flue liner intact and in safe working condition.

Every existing space heater shall comply with the following requirements:

- a. No space heater burning solid, liquid or gaseous fuels shall be of a portable type;
- b. Every space heater burning solid, liquid or gaseous fuels shall be properly vented to a chimney or duct leading to outdoor space and be installed to provide proper draft;
- c. Every fuel burning space heater shall have a fire-resistant panel between it and the floor or floor covering as required by the unit's manufacturer;
- d. Whenever a space heater is located within 2 feet of a wall, said wall shall be protected with insulation sufficient to prevent overheating of the wall as required by the unit's manufacturer; ;
- e. Every space heater smoke pipe shall be equipped with approved thimbles or guards, properly constructed of non-flammable material, at the point where the pipe goes through any wall, ceiling or partition;
- f. Each dwelling and/or dwelling unit shall be supplied with its own heating systems. Local option may provide for one central forced air system to serve no more than two separate dwelling units.

Other Inspectable Items:

HVAC System:

- Inoperable
- 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 bedrooms shall have a storage floor area of at least 4 square feet per bedroom. This storage requirement does not necessarily have to be located in the bedrooms.

E. MINIMUM STANDARDS FOR GARAGES, FENCES AND PREMISES

1. **PROTECTION OF EXTERIOR WOOD SURFACES** – All exterior wood surfaces shall be properly protected from the elements against decay and rot by lead-free paint, or other approved protective coating.
2. **FENCES** – Every residential fence shall be in a state of maintenance and repair or shall be removed. Wood materials that are not decay resistant shall be protected against decay by use of lead-free paint or by other preservative material.

If a fence is removed and replaced, said installation shall conform with all local requirements.

Other Inspectable Items: Fencing and Gates:
 Damaged / Failing / Leaning
 Holes

Missing Sections

3. CONDITION OF PREMISES – All areas and all parts of the premises upon which any dwelling or dwelling units are located and all areas adjacent thereto and a part of the premises shall be in a clean and sanitary condition. This shall include, but not be limited to, removal of abandoned and junked automobiles, automobile bodies, chassis, parts, and trailers; inoperable machines and appliances; lumber piles and building materials not used in actual construction; tin cans, broken glass, broken furniture, boxes, crates, and other debris, rubbish, junk and garbage.

Other Inspectable Items:

- Retaining Walls:
 - Damaged / Falling / Leaning
- Health and Safety:
 - Air Quality – Sewer Odor Detected
 - Propane / Natural Gas / Methane Gas Detected
 - Electrical Hazards - Exposed Wires / Open Panels
 - Water Leaks on / near Electrical Equipment
 - Flammable Materials - Improperly Stored
 - Garbage and Debris - Outdoors
 - Hazards – Other / Sharp Edges / Tripping
- Play Areas and Equipment:
 - Damaged/Broken Equipment
 - Deteriorated Play Area Surface
- Refuse Disposal:
 - Broken/Damaged Enclosure-Inadequate Outside Storage Space

- Retaining Walls:
 - Damaged/Falling/Leaning
- Fire Escapes:
 - Blocked Egress / Ladders
 - Visibly Missing Components
- Emergency Fire Exits:
 - Emergency / Fire Exits – Blocked / Unusable
 - Missing Exit Signs

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 herewithin.

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.

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.