

2019

# ANNUAL ACTION PLAN

STATE OF NEBRASKA CONSOLIDATED PLAN FOR  
HOUSING AND COMMUNITY DEVELOPMENT

**July 1, 2019 - June 30, 2020**

**NEBRASKA**

Good Life. Great Opportunity.

DEPT. OF ECONOMIC DEVELOPMENT

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## Acronym List

AIDS	Acquired Immune Deficiency Syndrome
CAPER	Consolidated Annual Performance Evaluation Report
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CHAS	Comprehensive Housing Affordability Strategy
CHDO	Community Housing Development Organization
CNF	Community Need Factors
CoC	Continuum of Care
CWSRF	Clean Water State Revolving Fund
DED	Nebraska Department of Economic Development
DEQ	Nebraska Department of Environmental Quality
DHHS	Nebraska Department of Health and Human Services
DTR	Downtown Revitalization
DWSRF	Drinking Water State Revolving Fund
ED	Economic Development
ESG	Emergency Solutions Grant
HCDA	Housing and Community Development Act
HIV	Human Immunodeficiency Virus
HMIS	Homeless Management Information System
HOPWA	Housing Opportunities for Persons With AIDS
HSATF	Homeless Shelter Assistance Trust Fund
HTF	National Housing Trust Fund
HUD	U. S. Department of Housing and Urban Development
LMA	Low to Moderate Income Area Benefit
LMC	Low to Moderate Income Limited Clientele
LMH	Low to Moderate Income Housing
LMI	Persons with Low to Moderate Income
LMJ	Low to Moderate Income Jobs
MOU	Memorandum of Understanding
NAHP	Nebraska Affordable Housing Program
NAHTF	Nebraska Affordable Housing Trust Fund
NCHH	Nebraska Commission on Housing and Homelessness
NDO	Nonprofit Development Organization
NHAP	Nebraska Homeless Assistance Program
NIFA	Nebraska Investment Finance Authority
NMIS	Nebraska Management Information System
NOFA	Notice of Funding Availability
PW	Public Works
RFA	Request For Applications
RLF	Revolving Loan Fund
TA	Technical Assistance
USDA	U.S. Department of Agriculture
WW	Water/Wastewater
WWAC	Water Wastewater Advisory Committee

## Contact Information

### **Rebecca Schademann**

*Consolidated Plan Coordinator*

Community Development Division

Department of Economic Development

301 Centennial Mall South, PO Box 94666

Lincoln, NE 68509-4666

(402) 471-3172

Email: [Rebecca.Schademann@nebraska.gov](mailto:Rebecca.Schademann@nebraska.gov)

<http://www.opportunity.nebraska.gov>

### **CDBG**

#### **Steve Charleston**

*CDBG Program Manager*

Community Development Division

Department of Economic Development

301 Centennial Mall South, PO Box 94666

Lincoln, NE 68509-4666

(402) 471-3757

Email: [Steve.Charleston@nebraska.gov](mailto:Steve.Charleston@nebraska.gov)

<http://www.opportunity.nebraska.gov>

### **HOME / HTF / NAHTF**

#### **Lynn Kohout**

*Housing Manager*

Housing and Field Operations Division

Department of Economic Development

301 Centennial Mall South, PO Box 94666

Lincoln, NE 68509-4666

(402) 440-2599

Email: [Lynn.Kohout@nebraska.gov](mailto:Lynn.Kohout@nebraska.gov)

<http://www.opportunity.nebraska.gov>

### **ESG / HSATF**

#### **Matt Thomsen**

*LIHEAP & CSBG Program Manager*

Division of Children and Family Services

Department of Health and Human Services

220 South 17<sup>th</sup> Street, 2<sup>nd</sup> Floor, PO Box 95026

Lincoln, NE 68509-5026

(402) 417-9435

Email: [Matt.Thomsen@nebraska.gov](mailto:Matt.Thomsen@nebraska.gov)

<http://www.dhhs.ne.gov>

### **HOPWA**

#### **Renae Furl**

*Administrator*

Division of Public Health

Department of Health and Human Services

301 Centennial Mall South

Lincoln, NE 68509-5026

(402) 471-0193

Email: [Renae.Furl@nebraska.gov](mailto:Renae.Furl@nebraska.gov)

<http://www.dhhs.ne.gov>

#### **Nikki Swope**

*Nebraska Homeless Assistance Program Coordinator*

Division of Children and Family Services

Department of Health and Human Services

301 Centennial Mall South, PO Box 95026

Lincoln, NE 68509-5026

(402) 432-4861

Email: [nikki.swope@nebraska.gov](mailto:nikki.swope@nebraska.gov)

<http://www.dhhs.ne.gov>

#### **Gretchen Regier**

*HOPWA Program Manager*

Division of Public Health

Department of Health and Human Services

301 Centennial Mall South

Lincoln, NE 68509-5026

(402) 471-0164

Email: [Gretchen.Regier@nebraska.gov](mailto:Gretchen.Regier@nebraska.gov)

<http://www.dhhs.ne.gov>



## Executive Summary

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

#### *Introduction*

The 2019 Annual Action Plan (AAP) is the fifth annual plan and update to the Nebraska's 2015 - 2019 Consolidated Plan (Consolidated Plan) 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 (HOME); National Housing Trust Fund (HTF); Emergency Solutions Grant (ESG); and Housing Opportunities for Persons with AIDS (HOPWA). In addition, where appropriate, information on two State Programs will also be discussed: the Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF).

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

The CDBG, HOME, HTF, and NAHTF programs are administered through the Nebraska Department of Economic Development (DED). The ESG, HOPWA, and HSATF programs are administered through the Nebraska Department of Health and Human Services (DHHS). DHHS administers the ESG and HSATF resources under the Nebraska Homeless Assistance Program (NHAP). DED serves as the lead agency responsible for coordinating the development of the Consolidated Plan, AAP, and the Consolidated Annual Performance Evaluation Report (CAPER). DHHS works in conjunction with DED in developing these documents.

The 2019 AAP 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 these goals and objectives 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.

### ***Summarize the Objectives and Outcomes Identified in the Plan***

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

The main priorities and objectives within the 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 are 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 below outcomes illustrate the benefits of each activity funded by the CDBG, HOME, HTF, ESG, or HOPWA Programs:

- Improved Availability/Accessibility
- Improved Affordability
- Improved Sustainability

The activities funded during this program year 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 measures will enhance the State's ability to quantify the results for those activities and to convey a complete picture of housing and community development activities.

## **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 diligently to further the primary objectives of providing decent housing, suitable living environments, and expanding economic opportunities.

Specific details about past performance by the State on priorities covered by the 2015-2019 Consolidated Plan and strategies contained in Annual Action Plans are available through the State's CAPER. The CAPER contains information regarding significant achievements in meeting the needs of Nebraskans each year and is available on the DED's website, <http://opportunity.nebraska.gov/reports>. The State continues utilizing its Outcome Performance Measurement System that was incorporated in 2006. This measurement system allows the State to better measure the accomplishments of activities funded with CDBG, HOME, HTF, ESG, and HOPWA.

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

The 2019 Annual Action Plan was made available on the DED website on March 1, 2019, and paper copies made available to the following libraries. The libraries included: Alliance Public Library (Alliance), Auburn Memorial Library (Auburn), Garfield County (Burwell), Central City Public Library (Central City), Chadron Public Library (Chadron), Lexington Public Library (Lexington), Bennett Martin Public Library (Lincoln), McCook Public Library (McCook), Jensen Memorial Library (Minden), Goodall City Library (Ogallala), W. Dale Clark Library (Omaha), Scottsbluff Public Library (Scottsbluff), Sidney Public Library (Sidney), Wayne Public Library (Wayne), Thomas County Library (Thedford), and Valentine Public Library (Valentine).

Per the Citizen Participation Plan, public notices informing the public about the comment period (March 4 – April 2, 2019) and the public hearing (March 13, 2019 and March 27, 2019) were published on DED's website and within newspapers (Lincoln Journal Star, the Kearney Hub, the Scottsbluff Star Herald, the Beatrice Daily Sun, the North Platte Telegraph, and the Norfolk Daily News). The public notice was also distributed electronically via email to local officials, developers, non-profit organizations; Development Districts; the Nebraska Commission of Housing and Homelessness; and the Continuum of Cares throughout the state.

Additional information regarding the public hearings and comments and responses are below in the summary of public comments and responses.

### **Public Comments Summary 2019 AAP**

The following summary of public comments were received during the public comment period. The public comments were received and reviewed in-depth.

1. Increasing the minimums that community can apply for, small communities, concerned with increasing minimums could be problematic. By bumping limits up could limit the applicants and possible projects won't meet the minimum requests therefore those important projects may not be able to be pursued.

***Response:** Thank you for your comment. The Department took your comment into consideration. The Department lowered the CDBG minimum project costs from \$25,000 to \$20,000 within the CDBG Planning Category, however the remaining project cost minimums were retained within the other CDBG categories to ensure timely expenditure and project management of CDBG funds.*

2. The Nebraska Department of Economic Development (DED) should consider making natural disasters a main priority in the 2019 proposed annual action plan so that funds can be disbursed to the counties and communities that are included in the Nebraska and/or Federal Disaster Declaration. I would also request that DED include natural disasters as a main priority in future annual action plans with estimated funding (could be based on past history) so that when disasters occur the state is ready to take action and able to get funding out into the affected areas sooner.

*Response: Thank you for your comment. The Department (DED) took your comment into consideration and addressed natural disasters within two funding sources: CDBG and NAHTF. A new CDBG category called "Emergent Threat" was created with the purpose to assist local units of government through activities that meet the Consolidated Plan Goal of Community Development. Through the NAHTF funding source, funding was set aside for a "Disaster Cycle" to assist those counties who received a flood-related disaster declaration by the Nebraska Emergency Management Agency through activities that align with the Consolidated Plan Goal of Affordable Housing.*

3. Natural disasters should be a main priority in the Nebraska Department of Economic Development (DED) 2019 proposed annual action plan as well as future annual action plans, with Urgent Need as the national objective. This would enable funds to be disbursed to the counties and communities included in any Nebraska and/or Federal Disaster Declarations. Future estimated funding could be based on past historic needs so that when disasters occur the state is ready to take action and able to get funding out into the affected areas sooner.

*Response: Thank you for your comment. The Department (DED) took your comment into consideration and addressed natural disasters within two funding sources: CDBG and NAHTF. A new CDBG category called "Emergent Threat" was created with the purpose to assist local units of government through activities that meet the Consolidated Plan Goal of Community Development. Activities through this category must meet one of the eligible national objectives: 1) Benefit low and moderate income (LMI) persons; 2) Aid in the prevention or elimination of slums or blight; and/or 3) Meet other community development needs having a particular urgency.*

*Through the NAHTF funding source, funding was set aside for a "Disaster Cycle" to assist those counties who received a flood-related disaster declaration by the Nebraska Emergency Management Agency through activities that align with the Consolidated Plan Goal of Affordable Housing.*

4. Upon review of the 2019 CDBG Annual Action Plan the Village of Bradshaw has the following concerns. As stated in the document, the minimum amount of requested funds for the Owner Occupied Rehabilitation (OOR) program will be set at \$252,000 or eight homes. Consider that a Village may only have 40 homes, if eight homes are required to be eligible for OOR, 20% of the homeowners must submit a pre-application. This will suffocate our ability to apply for this program because we may not have enough eligible homes/homeowners to meet the proposed threshold. Since housing quality directly relates to resident retention and attraction, the fallout of this decision will devastate the future of our rural communities.

The Village of Bradshaw was considering an application to the 2019 CDBG Owner Occupied Rehabilitation program. Typically, communities of our size (population 273) apply for a four-unit program with \$126,000 in total funding. This is a manageable size and fosters a complete and successful program. With the proposed changes and having a limited application pool, we will not be able to complete a competitive grant application and will be eliminated from further OOR consideration. This will hinder our ability to improve our rapidly declining housing stock.

Please reconsider this change to the annual action plan and support the needs of the smaller villages and communities in Nebraska.

***Response:** Thank you for your comment. The Department took your comment into consideration. The minimum \$250,000 project cost threshold for CDBG Owner Occupied Rehabilitation applications will remain. There are a variety of funding programs that allow for smaller owner-occupied housing rehabilitation programs. For example, the Nebraska Affordable Housing Trust Fund (NAHTF) program, overseen by the Nebraska Department of Economic Development, does not have a minimum grant threshold.*

5. Regarding CDBG and HOME projects: The "Time of Performance" mandate of requiring project completion within 24 months of contract date can be difficult with which to comply. I would suggest starting the 24 months time of performance to commence with "Release of Funds" rather than Contract Date. In areas with limited available contractors, the projects can sometimes require a longer timeframe to complete. This is especially true when we cannot commence any project work until "Release of Funds" is received.

My additional comment would be to request training and/or focus groups throughout the state in late summer or fall. It would be great to have updates/discussions on changes to reports, guidelines etc...and especially advantageous for those of us who are newer in our positions.

***Response:** Thank you for your comment. The 24-month contract timeframe for CDBG and HOME funded projects will remain to ensure a timely expenditure rate for federal funding. If individual projects need additional time, the Department will take that under consideration.*

*In regards to training opportunities, the CDBG program offers training twice a year through the CDBG Certification Training and program representatives are available for consultation. Through the HOME program, program representatives are available for consultation. Additional resources for both programs are available through the Housing and Urban Development website.*

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

There were no comments or views not accepted.

### **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 2019 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.

Agency Role	Name	Department/Agency
CDBG Administrator	NEBRASKA	Department of Economic Development/Community Development Division
HOPWA Administrator	NEBRASKA	Department of Health & Human Services/Public Health Division
HOME Administrator	NEBRASKA	Department of Economic Development/ Housing & Field Operations Division
ESG Administrator	NEBRASKA	Department of Health & Human Services/Children & Family Services Division
HTF Administrator	NEBRASKA	Department of Economic Development/Housing & Field Operations Division

**Table 1 – Responsible Agencies**

### 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 Community Development Division and the Housing & Field Operations 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.

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

### 1. *Introduction*

DED & DHHS consulted with local governments, State agencies, non-profit organizations, and other members of the public on the preparation of the 2019 AAP.

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; nonprofit organizations; and community members throughout the state. In addition, consultation with the behavioral health and mental health advisory committee was conducted. DED and DHHS routinely attend 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). NHAP includes funding from both ESG and the State's Homeless Shelter Assistance Trust Fund (HSATF). The NCHH, in coordination with DED and DHHS, collaborates with a statewide Continuum of Care (CoC) systems to 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, HTF, and HOPWA program staff are actively engaged in NCHH 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. NCHH meet regularly to discuss, plan, and make recommendations for coordination and cooperation of housing across the State of Nebraska, including services and support needed to serve 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 2015. This plan serves as a roadmap for achieving four overarching goals which include: to 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.



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 main objective of the NHAP program is to provide an overall Continuum of Care (CoC) approach to address the needs of people who are homeless or are at risk of homelessness. Nebraska has two ESG entitlement cities, which are Region 6 Lincoln CoC and the Region 7 Omaha CoC, with the remaining local five regions collectively forming the Balance of State (BoS) CoC, whereas the entire state is referred to as the Continuum of Care System. As NHAP is the recipient of ESG funds allocated for the BoS CoC and the State of Nebraska HSATF dollars that are allocated statewide, NHAP coordinates with the entire Continuum of Care System on an ongoing basis by participating in meetings, leading strategic planning efforts, coordinating with ESG entitlement city administrators, supporting the Homeless Management Information System (HMIS), and participating in the establishment and evaluation of ESG and CoC funding priorities. Being aligned with a division of DHHS enables NHAP to coordinate at a state level with the Division of Behavioral Health, the Division of Children and Family Services Protection and Safety, and the Division of Public Health to address gaps in services.

To effectively help facilitate a cohesive statewide CoC network, a State Continuum of Care Committee has been established which includes representation from governmental, homeless and/or formerly homeless individuals, 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 of the Nebraska Commission on Housing and Homelessness (NCHH). The NCHH serves as an advisory body to the NHAP. 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 persons who are homeless persons at risk of homelessness;

The State CoC Committee is 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 are conducted in person. NHAP attends 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, veteran service providers (SSVF), 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. The State Continuum of Care was receiving technical assistance through ABT; however, there is no longer funding to support continued technical assistance. The State Continuum of Care continues to meet



regularly to discuss emerging practices and strengthen collaboration across the state and to work towards ending homelessness in Nebraska.

As previously mentioned, two of the seven regional 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. 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. NHAP also participates in the regional CoC meets and the ESG entitlement CoCs to increase collaboration statewide.

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, 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, and Washington, counties).

Beginning in program year 2019, Douglas and Sarpy counties were included with the City of Omaha (Omaha and Bellevue) in Region 7 for NHAP/HSATF funding due to the close geographical proximity to better align services for homeless and at-risk of homeless persons in a client-focused manner. There have been no changes to Region 6, the City of Lincoln.

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 hosts monthly regional meetings to coordinate and plan how services and resources can best meet the needs of the homeless and at risk of homelessness within the region. The entitlement cities, Lincoln and Omaha, meet in-person monthly to promote coordination between the member agencies.

The HOPWA project sponsor participates in each of the seven regional Continuum of Care committees to provide expertise in the area of HIV/AIDS and to officially represent the needs of persons living with HIV/AIDS.

DED continues to collaborate and consult with 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 regarding the HTF Program. The goal of this collaboration is to obtain information to administer the HTF Program effectively, particularly in the areas of special needs housing and permanent supportive housing.

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

NHAP gathers input from the regional CoC's through surveys and CoC self-determination methods to solicit feedback on funding priorities and to determine identified needs of services prior to posting and allocating funding for the program year. NHAP also utilizes HMIS data, Housing Inventory Count (HIC) and Point In Time (PIT) counts, Longitudinal Systems Analysis (LSA) reports and prior year's subrecipient data to review past program performance and identified gaps in services across the state. Additionally, the NHAP competitive application process requires reporting of performance measures. Examples include percentage of exits to permanent housing, program participant increase in cash benefits, and percent of returns to homelessness (at 6, 12 and 24 months after exit).

State BoS 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 HUD PPRN calculations, the State Continuum of Care and homeless advocacy partners 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, Center for Children Families and the Law (CCFL), DHHS, homeless advocate entities, and other collaborating agencies.

NHAP consults with the executive committees of the regional and state CoCs on performance standards and outcome evaluations for both CoC and ESG funded programs through monthly conference calls in which NHAP regularly participates. 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. The BoS CoC regularly updates the Written Standards for the ESG/CoC Service Delivery to reflect current HUD regulations and provide guidance on the expectation and requirements of ESG program activities. Updated written standards can be accessed at <https://ccfl.unl.edu/community-services-management/resources/bos-coc-ne-500>. The written standards can also be viewed in the AAP Appendix, Section 4.1.

The HMIS lead agency for the BoS CoC also was selected to implement the Coordinated Entry system for CoC and ESG funded agencies. BoS CoC successfully achieved full compliance with the Coordinated Entry (CE) requirements as established in 24 CFR 578.7(a)(8), 24 CFR 576.400(d) & (e) and Notice CPD-17-01 on January 15th, 2018. See <https://ccfl.unl.edu/community-services-management/coordinated-entry/coordinated-entry-providers> for the Coordinated Entry Manual and other resource materials. The BoS Coordinated Entry System was developed through a Coordinated Entry planning committee comprised of homeless service agencies across the state, the Domestic Violence Coalition, NHAP and other parties. The efforts in developing a CE process led to the "All Doors Lead Home Coordinated Entry". This established a collaborative approach to find and connect homeless persons as quickly as possible to the most appropriate and effective housing that is housing first and client-choice driven.

To facilitate the statewide prioritization and placement process for the most vulnerable homeless population both 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 (PSH), Rapid Rehousing (RRH) and Transition Aged Youth (TAY) programs. This process also allows for a client-driven choice to relocate within all seven CoC regions in Nebraska.

The State also consults CoC System of Care on the development of HMIS policies and procedures. Each month, the BoS CoC will conduct HMIS conference calls to provide on-going training, receive HMIS Regional Coordinator updates, prepare for HUD required reports (HIC/PIT, etc.) and other relevant topics to reporting to the development of policies and procedures for the HMIS system. Additionally, the Nebraska Management Information System (NMIS) will continue to hold quarterly conference calls with all the regional CoCs to ensure unified data standards.

NHAP will continue to utilize ESG and HSATF to provide funding the HMIS system as administered by Center for Children Families and the Law (CCFL). The BoS CoC has selected CCFL as the HMIS administrator for the BoS and Lincoln CoCs and the City of Omaha has selected Institute for Community Alliances (ICA) as the HMIS administrator. CCFL subcontracts with ICA for NHAP related HMIS data for Omaha. To ensure CoC involvement in the competitive funding process utilized for subgranting NHAP funds, the review and selection team for the HMIS provider selection is comprised solely of CoC representatives.

## ***2. Agencies, groups, organizations and others who participated in the process and consultations, see below***

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

1	<b>Agency/Group/Organization</b>	Region 1 Panhandle
	<b>Agency/Group/Organization Type</b>	Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
2	<b>Agency/Group/Organization</b>	Region 2
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails & phone calls.
3	<b>Agency/Group/Organization</b>	Region 3
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
4	<b>Agency/Group/Organization</b>	Region 4
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	consulted through emails & phone calls.
5	<b>Agency/Group/Organization</b>	Region 5
	<b>Agency/Group/Organization Type</b>	Continuum of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails and phone calls.
6	<b>Agency/Group/Organization</b>	State CoC
	<b>Agency/Group/Organization Type</b>	CoC Stakeholders & Human Services
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through phone calls.

7	<b>Agency/Group/Organization</b>	Nebraska State Home Builders Association
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
8	<b>Agency/Group/Organization</b>	CDBG Certified Administrators
	<b>Agency/Group/Organization Type</b>	Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.

9	<b>Agency/Group/Organization</b>	Nebraska Commission on Housing and Homelessness (NCHH)
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Publicly Funded Institution/System of Care Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.



10	<b>Agency/Group/Organization</b>	Nebraska Community Action Agencies
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Other government - State Other government - County Other government - Local Regional organization

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
11	<b>Agency/Group/Organization</b>	Nebraska County Clerks
	<b>Agency/Group/Organization Type</b>	Other government - County

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
12	<b>Agency/Group/Organization</b>	Nebraska Economic Developers Association
	<b>Agency/Group/Organization Type</b>	Housing Other government - State Other government - County Other government - Local Regional organization Planning organization Business Leaders Civic Leaders Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through email, phone calls, and in person.
	<b>13 Agency/Group/Organization</b>	Nebraska League of Municipalities
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails.
14	<b>Agency/Group/Organization</b>	Nebraska Regional Officials Council (NROC)
	<b>Agency/Group/Organization Type</b>	Regional organization Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
15	<b>Agency/Group/Organization</b>	First Class Nebraska Cities
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
16	<b>Agency/Group/Organization</b>	Nebraska Villages
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
17	<b>Agency/Group/Organization</b>	Non-Profit Organizations
	<b>Agency/Group/Organization Type</b>	various



	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
18	<b>Agency/Group/Organization</b>	For Profit Developers
	<b>Agency/Group/Organization Type</b>	Various

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.
19	<b>Agency/Group/Organization</b>	Nebraska Investment Finance Authority (NIFA)
	<b>Agency/Group/Organization Type</b>	Quasi-Government

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted through emails, phone calls, and in person.

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

When developing the Consolidated Plan and the AAP, the State consulted with all the agencies that the State determined would provide relevant information for these plans. 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 was not 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?
Continuum of Care	Nebraska Commission on Housing & Homeless	Opening Doors: 10 Year Plan to Prevent and End Homelessness in the State of Nebraska, 2015-2025; 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-Con 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-Con 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-Con 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-Con 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 3 - Other local / regional / federal planning efforts**

Narrative

The info above provides a description of the coordination & 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. A public hearing is held to obtain citizen comments on the AAP. The hearing is held at a time and location 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 2019 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.opportunity.nebraska.org/reports> or by contacting the Consolidated Plan Coordinator identified at the beginning of this document.

### Citizen Participation Outreach: 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)
1	Public Hearing	Non-targeted/ broad community	Public hearings concerning the 2019 AAP were held on March 13, 2019 in-person at North Platte, Kearney, and Scottsbluff and on March 27, 2019, in person at Norfolk and Lincoln and via video conference. The 30-day public comment period occurred during March 4 – April 2, 2019.  *The Scottsbluff public hearing was cancelled due to inclement weather.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	<a href="https://opportunity.nebraska.gov/">https://opportunity.nebraska.gov/</a>
2	Newspaper Ad	Non-targeted/ broad community	Public notices of the public hearing and public comment period were placed in Nebraska publications including: Lincoln Journal Star, Kearney Hub, Scottsbluff Star Herald, Beatrice Daily Sun, Norfolk Daily News, and North Platte Telegraph.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	
3	Internet Outreach	Non-targeted/ broad community	The Notice of Public Hearing and Public Comment Period was posted on DED's website, and sent out to the following groups via email: Housing Authorities, Housing Developers, Nebraska Economic Developers Association, Nebraska County Clerks, Nebraska First Class Cities, Nebraska Second Class Cities, Nebraska Villages, Nebraska State Government Officials, Community Action Agencies, CDBG Certified Administrators, the Association of Home Builders, and the League of Municipalities.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	
4	Library Outreach	Non-targeted/ broad community	To increase opportunities for public participation and public comment, the Proposed Plan was sent to 16 libraries throughout Nebraska.	Public comments received during the public comment period were answered and a summary is included within the State Plan.	All public comments were accepted.	

**Table 4 – Citizen Participation Outreach**

# Expected Resources

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

### *Introduction*

The following table describes the anticipated estimated resources to be allocated throughout Nebraska delineated by program type. These anticipated estimated resource projections are made for the remaining year of the 2015-2019 Consolidated Plan. Prior Year Resources, or carryover from the previous fiscal years, are also included in the table. The narrative description for each funding source provides the estimated amount or percentage of state administration dollars that are estimated under each federal or state resource.

More detail information regarding the annual allocation of resources is found throughout the AAP. Also, refer to the Appendix, Section 1.1 and 1.2 for additional information.

## Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Remainder of Con Plan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$10,721,667	\$8,243,840	\$3,353,574	\$22,319,081	\$22,319,081	See below

**Table - Expected Resources – Priority Table**

### Narrative Description

CDBG resources are provided to units of local government for CDBG-eligible activities. In 2019, the Table: Expected Resources – Priority Table identifies the estimated CDBG annual allocation, program income, and prior year resources available to be distributed. The estimated CDBG program income available for distribution is made available to eligible projects under the CDBG Economic Development Category and the CDBG Emergent Threat Category from the CDBG State RLF. A portion of the 2019 allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The State will match up to 3% of the total CDBG allocation for the CDBG general administration allocation, which excludes technical assistance funds. This amount fulfills the one-to-one matching requirement toward general administration expenditures. Technical assistance expenditures do not require match. The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations. State recipients and sub-recipients may also receive administration funds.

DED adjusted the estimated proposed allocation of CDBG to match the actual allocation amounts from HUD. Adjustments may also be made to the Program Income (CDBG State RLF) and Prior Year Resources.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.



Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				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	\$3,674,297	\$0	\$1,419,226	\$5,093,523	\$5,093,523	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

HOME resources are primarily used for rental development and homebuyer activities. Homebuyer activities include new construction and purchase, rehab, and resale activities. HOME funds may also be allocated toward down payment assistance if paired with a homebuyer activity. 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 2019 25% HOME Match requirement for Nebraska for non-administrative funds (state admin and CHDO Operating). No less than 15% of resources will be utilized for CHDO-eligible activities as is required. In addition, during the 2019 Program Year, funding will also aid organizations throughout the state to develop an eligible HOME CHDO homebuyer activity to begin within 24 months. Ten percent of the 2019 HOME allocation will be reserved for state administration.

DED adjusted the estimated proposed allocation of HOME to match the actual allocation amounts from HUD. Adjustments may also be made to the Program Income and Prior Year Resources.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Remainder 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	\$540,135	\$0	\$56,875	\$597,010	\$597,010	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

The majority of HOPWA resources match with resources from Community Action Agencies and paired with 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.

The DHHS HOPWA Program will adjust its and their Project Sponsors' estimated proposed allocation budgets accordingly as an increase or decrease if and when actual allocation amounts differ from what was proposed.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Remainder 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	\$976,692	\$0	\$	\$976,692	\$976,692	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

ESG resources are allocated to non-profit agencies throughout the state to provide ESG eligible homeless and at-risk of homelessness services for the Nebraska Balance of State CoC. Homeless Shelter Assistance Trust Fund (HSATF) resources will be utilized to supplement ESG activities and provide matching funds. See the Table: Expected Resources – Priority Table to view the funding available through the HSATF program. Of the expected ESG allocation, 7.5% will be set aside for state administration to provide technical assistance and program support. While the remaining amount will be distributed for direct services and HMIS.

In the event that Nebraska does not receive the estimated funding from HUD, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Remainder 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	\$1,830,195	\$4,830,195	\$4,830,195	See below

**Table - 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.

During the 2019 Program Year, the Table: Expected Resources – Priority Table highlights the funding available for the HTF program. Funds will be distributed to projects as identified within the AP-30: Methods of Distribution and the HTF Allocation Plan through the following set-asides: LIHTC 9%, Targeted Needs, and Permanent Housing.

Each program year, up to 10% of the allocation will be used for state administration.

DED adjusted the estimated proposed allocation of HTF to match the actual allocation amounts from HUD. Adjustments may also be made to the Program Income and Prior Year Resources.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				Expected Amount Available Remainder of Con Plan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other: Nebraska Affordable Housing Trust Fund	Public State	Acquisition Admin and Planning Homebuyer assistance Homeowner Rehab Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership	\$11,250,000	\$0	\$0	\$11,250,000	\$11,250,000	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

The Nebraska Affordable Housing Trust Fund (NAHTF) was established by the (1996) Nebraska Affordable Housing Act (Neb. Rev. Stat. §§58-701 through 58-711). The Act, which was adopted to address the state's affordable housing needs, calls for a portion of the documentary stamp tax from Nebraska real estate transactions to be transferred to the NAHTF. These funds are to be distributed to support the provision of decent, affordable housing statewide, to encourage economic development and promote the general prosperity of all Nebraskans. Project activities include homeowner rehabilitation, homebuyer activities, rental housing, and nonprofit technical assistance.

As stipulated by the Act, each program year the Nebraska Department of Economic Development (DED) is required to develop an annual Qualified Allocation Plan (QAP) concerning the distribution of NAHTF resources throughout the state. DED develops a QAP with input from businesses, communities, statewide housing partners, developers, nonprofit organizations, public agencies, community action agencies, development districts, and public housing authorities. The QAP is available on the Department's website at <https://opportunity.nebraska.gov/reports> and outlines the distribution of funds for the 2019 Program Year (July 1, 2019 – June 30, 2020).

Nebraska Affordable Housing Trust Fund (NAHTF) resources for the 2019 Program Year will be utilized to further housing programs throughout the state. The allocation will be dedicated to project activities that include homeowner rehabilitation, homebuyer activities, rental housing, capacity building and operating assistance. These resources will be made available through the following application cycles: Housing

Projects Funding Cycle, Nonprofit Technical Assistance Funding Cycle, and Disaster Recovery Housing Projects Funding Cycle.

A portion of NAHTF resources will be committed to projects that are eligible to serve as HOME Match in order to meet the 2019 HOME 25% Match requirement for Nebraska for non-administration funds (state administration and CHDO Operating). The required HOME Match will be awarded via the joint application cycle through NIFA in conjunction with tax credit projects.

The State of Nebraska's main line budget bill for the biennium provides administration funds for the NAHTF program.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year5				Expected Amount Available Remainder 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	\$3,415,488	\$0	\$0	\$3,415,488	\$3,415,488	See below

**Table - Expected Resources – Priority Table**

**Narrative Description:**

The Nebraska Homeless Shelter Assistance Trust Fund (HSATF) 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 as established in 1992, LB 1192, § 2. The Table: Expected Resources – Priority Table identifies the HSATF funding available. Per the State regulations, a flat fee up to \$75,000 will be allocated for state administration.

In the event that Nebraska does not receive the estimated funding from HUD, NHAP has access to reserve HSATF funding to match the total allocation amounts once the actual amounts are announced by HUD.

NHAP reserves \$75,000 annually of the Homeless Shelter Assistance Trust Funds to be distributed in the event of a natural disaster to assist individuals and families that are homeless and at risk of homeless due to the effects of the natural disaster within the State of Nebraska. Current NHAP funded agencies within any of the Nebraska Continuum of Care Regions that provide service coverage within areas for federally

designated disaster zones may apply for the natural disaster relief funds. All activities requested to be funded must comply with the ESG program requirements identified in the Code of Federal Regulations Title 24 Part 576. In instances where natural disaster relief funds are not necessitated within the program year, the legislatively established set-aside funds of \$75,000 are reserved for the subsequent fiscal year to maintain the natural disaster relief fund. Any remaining funds are reallocated to NHAP program activities through the competitive application cycle.

For additional information, refer to Section 1.1 and 1.2 of the Appendix.

***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**

In order to fulfill the one to one matching requirement to the CDBG administration allocation, the State will provide up to 3% of matching funds. A portion of the 2019 allocation resources is reserved for state administration and technical assistance funds combined that may not exceed 3% of the total base allocation plus \$100,000 as per 24 CFR 570.489(a). The State will match up to 3% of the total CDBG allocation for the CDBG general administration allocation, which excludes technical assistance funds. This amount fulfills the one-to-one matching requirement toward general administration expenditures. Technical assistance expenditures do not require match. The technical assistance is provided by the state for capacity building for local governments and nonprofit organizations. State recipients and sub-recipients may also receive administration funds.

CDBG funds will be also be matched with other local resources as explained within the AP- 30: Methods of Distribution section of the AAP and the 2019 CDBG Application Guidelines (<http://opportunity.nebraska.gov/CDBG>).

**HOME**

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 2019 HOME 25% Match requirement for Nebraska for non-administration funds (state administration and CHDO Operating).

**ESG**

ESG funds, through the Nebraska Homeless Assistance Program, will be matched with Nebraska Homeless Assistance Trust Fund (HSATF) resources, which well exceeds the 1:1 requirement per 24 CFR 576.201. The Nebraska Homeless Shelter Assistance Trust Fund (HSATF) is based on a twenty five cent set aside on each \$1,000.00 of the value of real estate sold in Nebraska and collected via the documentary tax stamp on real estate sales as established in 1992, LB 1192, § 2. Annually, the amount of HSATF funding varies based on tax revenue.

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



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

#### HOPWA

For the HOPWA Program, the majority of leveraging of funds includes other public funding, such as Ryan White Parts B and C, and the Housing Choice Voucher Program. The Calico Support Group, a grassroots service organization in the rural western part of the state, provided assistance towards rent, 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 provides food, personal care, and transportation. Other funding leveraged include resident rent payments by clients to private landlords. 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

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:

Not applicable, see above response.

# 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
<b>1</b>	Housing Program	2015	2019	Affordable Housing	Statewide	Housing Priority Need	CDBG: \$3,100,000  HOME: \$4,726,093  HTF: \$4,530,195  NAHTF: \$11,250,000	Rental units constructed: 70 Household Housing Unit Rental units rehabilitated: 30 Household Housing Unit Homeowner Housing Added: 25 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit
<b>2</b>	Community Development Program	2015	2019	Non-Housing Community Development	Statewide	Community Development Priority Need	CDBG: \$12,524,895	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 55,500 Persons Assisted Facade treatment/business building rehabilitation: 35 Business
<b>3</b>	Economic Development Program	2015	2019	Non-Housing Community Development	Statewide	Economic Development Priority Need	CDBG: \$6,272,536	Jobs created/retained: 100 Jobs Businesses assisted: 7 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Nebraska Homeless Assistance Program (NHAP)	2015	2019	Homeless	Statewide	Homeless Services Priority Need	ESG: \$903,440 HSATF: \$3,340,488	Tenant-based rental assistance / Rapid Rehousing: 467 Households Assisted Homeless Person Overnight Shelter: 5393 Persons Assisted Homelessness Prevention: 1645 Persons Assisted: Street Outreach 283 Persons Assisted
5	HOPWA Program	2015	2019	Homeless Non-Homeless Special Needs	Statewide	HOPWA Services Priority Need	HOPWA: \$597,010	Tenant-based rental assistance / Rapid Rehousing: 12 Households Assisted Other: 45 Other

**Table 5 – Goals Summary**

## AP-21 Annual Goals – 91.320(c)(3)&(e) Narrative (Optional)

### Goal Descriptions

1	<b>Goal Name</b>	Housing Program
	<b>Goal Description</b>	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 NAHTF.
2	<b>Goal Name</b>	Community Development Program
	<b>Goal Description</b>	Goal Description: This Program includes planning; public works; water/wastewater; emergent threat; and downtown revitalization activities. A wide variety of activities are funded that primarily serve LMI persons throughout the state.
3	<b>Goal Name</b>	Economic Development Program
	<b>Goal Description</b>	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	<b>Goal Name</b>	Nebraska Homeless Assistance Program (NHAP)
	<b>Goal Description</b>	<p>Rapid Rehousing-Securing permanent housing options for persons who are homeless with emphasis on addressing needs of the individuals to encourage stability.</p> <p>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.</p> <p>Homelessness Prevention-Assure needed services are provided to people who are at risk of becoming homeless to prevent entry into emergency shelter or other temporary housing.</p> <p>Street Outreach: Providing literally homeless persons emergency essential and housing services.</p> <p>The goal outcome indicators include ESG for BoS CoC and HSATF for all 7 regions.</p>
5	<b>Goal Name</b>	HOPWA Program
	<b>Goal Description</b>	<p>Goal Description: The primary goals of the Program help to provide activities that serve persons with HIV/AIDS throughout Nebraska.</p> <p>The activities in the "Other" section below include: Short-term Rent/Mortgage Assistance, Permanent Housing Replacement and Supportive Services.</p>

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

### Introduction:

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

### Funding Allocation Priorities

	Housing Program (%)	Community Development Program (%)	Economic Development Program (%)	Nebraska Homeless Assistance Program (NHAP) (%)	HOPWA Program (%)	Total (%)
CDBG	14	57	29	0	0	100
HOME	100	0	0	0	0	100
HOPWA	0	0	0	0	100	100
ESG	0	0	0	100	0	100
HTF	100	0	0	0	0	100
Other: HSATF	0	0	0	100	0	100
Other: NAHTF	100	0	0	0	0	100

**Table 6 – Funding Allocation Priorities**

### Reason for Allocation Priorities

Through experience and consultation, the allocation priorities for CDBG, HTF, HOME, and NAHTF 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 CDBG State RLF that is available to eligible projects during the 2019 Program Year.

NHAP's priority in allocating funding is to ensure ESG and HSATF funds will be utilized to meet our priority need through a comprehensive approach to address the needs of people who are homeless or at risk of homelessness throughout the State of Nebraska. Funding is distributed among the seven geographical regions in Nebraska based on a base amount and HUD's pro rata needs formula based on population and poverty levels.

In regards to HOPWA, Nebraska's HOPWA Program budget has funds allocated to budget categories needed in order to serve priority populations (homeless/chronically homeless) including short-term and long-term rent, permanent housing placement, utility assistance and supportive services. Funds have been allocated for the purchase of case management software, and a third party contractor is in the process of preparing an agreement. The HOPWA Program continues to seek additional funds to expand tenant-based rental assistance and to increase client's hands-on access to employment/job training services. Intensive case management is an important component when serving the priority populations.

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

### **Housing Priority Need**

The State's Housing Priority Need includes the need to respond to regional needs for affordable, decent, safe, and appropriate housing as a part of balanced economic development in Nebraska. This Priority Need includes four objectives:

- 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 objectives mentioned above.

### **Community Development Priority Need**

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

- 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 objectives mentioned above.

### **Economic Development Priority Need**

The Economic Development Priority Need addresses 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 three primary objectives:

- 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 objectives mentioned above.

#### Homeless Services Priority Need

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

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

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

#### HOPWA Services Priority Need

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 assigns one primary objective that includes: Provide housing assistance and related supportive services to low income persons with HIV/AIDS and their families and enable low income persons with HIV/AIDS to achieve stability in housing, reduce risks of homelessness, and increase access to health care.

HOPWA resources will be allocated to address the Priority Need and to address this specific objective. In addition, Nebraska's HOPWA Program has identified the majority of homeless/chronically homeless clients have medical concerns and/or are not employed. Placing individuals into housing and connecting them to healthcare are the first steps when services have been established. Utilizing Permanent Housing Placement 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 the federal resources: CDBG, HOME, HTF, ESG, and HOPWA. In addition, a brief discussion is provided regarding two State programs: Nebraska Affordable Housing Trust Fund (NAHTF) and the Homeless Shelter Assistance Trust Fund (HSATF).

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

### **Distribution Methods**

**Table 12 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	
	<b>Funding Sources:</b>	
	<b>Describe the state program addressed by the Method of Distribution.</b>	
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	
	<b>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)</b>	
	<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	
	<b>Describe how resources will be allocated among funding categories.</b>	
	<b>Describe threshold factors and grant size limits.</b>	
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	



## ***Discussion, Federal Programs, Community Development Block Grant (CDBG)***

CDBG funds will be used for activities authorized in Section 105(a) of the amended 1974 Housing and Community Development Act that meet national CDBG objectives. During Program Year 2019, projects will be funded that meet a CDBG National Objectives, benefit to low- and moderate-income persons, elimination of slums and blight and/or urgent need.

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.

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 three months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement that 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 2019 AAP, the overall CDBG Program includes activities within the Housing Priority Need, the Community Development Priority Need, and the Economic Development Priority Need. The NHAP Program includes activities within the Homeless Services Priority Need. The HOPWA Program includes activities within the Housing for Persons with AIDS Priority Need. The HTF and HOME Program includes activities within the Housing Priority Need.

A description and details of each Program and Program Categories are identified in the AP-30 section.

## STATE PROGRAM NAME: CDBG – 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 for downtown revitalization projects. The purpose of the Downtown Revitalization Category is to leverage investments that will contribute to the revitalization or redevelopment of downtown infrastructure and develop a greater capacity for growth, addressing health and safety concerns and commercial revitalization within the traditional business centers of our Nebraska communities. This provides a sound basis for fostering local economic development through public and private sector partnerships. This recognizes the importance of the condition and viability of a downtown to increase the community's tax base and cultivates a tangible center for community activity. These projects directly relate to business retention, expansion, and location decisions, but also address public gathering space, recognizing that downtowns reflect the economic core and persona of our communities.

Activities assist communities in their implementation of comprehensive downtown revitalization plan in order to stabilize and enhance clearly defined downtown areas, providing benefit to low- and moderate-income residents of the community or aid in the elimination of substandard or blighted structures and areas in the downtown.

DTR resources are for implementation of the project (i.e., physical improvements to the built environment); such funds become available to the applicant upon successful completion of the requirements of a downtown revitalization predevelopment/planning study. Because responsible, intelligent implementation arises from well-informed planning processes, applicant must make available their DTR study prior to, or along with the application for DTR resources.

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the DTR Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, LMI Housing) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS). Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons.

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

The Matrix below summarizes each selection criteria as a numerical score within the DTR Category. A minimum score of 350 points is required and some criteria require a minimum score as noted below.

Selection Criteria Detailed Matrix – DTR Category		
Selection Criteria	Maximum	Threshold Minimum
1. Project Design	300	150
2. Project Readiness	200	100
3. Business & Community Support	200	100
4. Matching Funds	50	-
5. LMI Benefit	50	-
6. Municipal Equalization Fund (MEF) Score	100	-
7. Achievements (Applicant may only earn points as an EDCC or LCC, not both.)	75	
<b>Total</b>	<b>975 points</b>	<b>350 points</b>
On-Site Review (Conducted at DED discretion. NOTE: No points awarded, in supplement of Application only.)		

Refer to Appendix, Section 1.3 –Application Cycle for the application due date for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:** Eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- **Activities are eligible and comply with a CDBG National Objective and State CDBG priority:**  
The following activities are eligible within the DTR Category. DTR project activities must be primarily located in the downtown area (i.e., central business district, downtown redevelopment district, etc.) of the applicant community, but may include limited adjacent areas that provide access to the downtown where need and nexus are adequately demonstrated. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

Activities may include, but are not limited to, the following:

**Facilities:** *Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, 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); Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries; Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered “public facilities” and thus eligible); Removal of architectural barriers for accessibility; and 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).*

**Infrastructure:** *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; Removal of architectural barriers for accessibility; and Drainage improvements (e.g. retention ponds or catch basins).*

**Other:** *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 that support other revitalization activities; Historic restoration, rehabilitation, and preservation for physical structures and infrastructure in a defined downtown business district; etc.*

**Note:** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- ***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***
- ***Applicant has adopted an authorizing participation resolution***
- ***Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED***
- ***Applicant is current with all reporting requirements:*** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG DTR Category Table to confirm that the application meets the minimum threshold points required to be considered to receive CDBG funding.

*Grant Size Limits:*

Refer to the below chart:

Downtown Revitalization Category – Key Minimums, Maximums, and Requirements	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$400,000
Local Matching funds	25% of total project costs
General Administration	10% of Project Costs not to exceed \$35,000
Housing Management	10% of Housing Activity Costs not to exceed \$35,000
Construction Management	\$10,000

*Match Requirements:*

Proposed match must be for CDBG eligible activities directly related to the proposed project(s) or directly benefitting a substantial majority of the LMI persons or families residing within the service area during the grant award period. Under the DTR category, activities require a 25% match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project. However, the local match may be used for projects that demonstrate benefit to the overall downtown revitalization that may not be specific to the project activities proposed for CDBG funding. The amount of match must be calculated in dollars. General Administration, Housing Management, and Construction Management activities do not require matching funds.

The local match funded activities may benefit the overall downtown revitalization effort while not being specific to the project activities proposed for CDBG funding. For example, where the application proposes housing rehabilitation, a grantee may inject local matching funds into a sidewalk or sewer system improvement. Such improvements would ideally be within the downtown area and in proximity of the CDBG funded activities, but could be adjacent to or otherwise benefit low- and moderate-income persons. Best practice is to match DTR-funded activities. Activities benefiting from matching funds, not specific to the CDBG-funded project activities, shall be thoroughly described in the application and may be further negotiated as a part of the contract special conditions.

DTR Implementation Match Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Construction Management (\$10k MAX)	0181 General Administration	Total CDBG Costs	Local cost-share Match	1000 Total Amount
		[A*10%]	[A+B+C]	[A*25%]	[D+E]
\$400,000	\$10,000	\$35,000	\$445,000	\$100,000	\$545,000

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

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

## STATE PROGRAM NAME: CDBG – Economic Development (ED)

### Funding Sources:

CDBG funds and CDBG State RLF

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

Within the Economic Development Priority Need, CDBG funds will be utilized for economic development projects. The objective of the 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-to-moderate income levels.

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

In addition, the CDBG State RLF objective is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State is responsible for ensuring that program income at the State and local levels is used in accordance with applicable federal laws and regulations. Program income for the state's program under the ED category is regulated by the provisions of 24 C.F.R. §570.489(e). Refer to the Appendix, Section 2.1 for additional information regarding Program Income.

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the ED Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategory LMI Area Benefit, LMI Limited Clientele, LMI Jobs).

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

The Matrix below describes each selection criteria as a numerical score within the ED Category. The maximum number of points available within any application is 110 points. A minimum score of 25 points is required overall.

Selection Criteria Detailed Matrix – ED Category		
Selection Criteria	Maximum	Threshold Minimum
1. CDBG Funding Utilization	35	-
2. Community Impact and Investment	30	-
3. Business Factors	40	-
4. Economic Development Certified or Leadership Community	5	-
<b>Total</b>	<b>110 points</b>	<b>25 points</b>

Refer to Appendix, Section 1.3 –Application Cycle for the application cycle for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

For a business to be eligible under the Department's CDBG ED category, it must either: 1) be eligible for the Nebraska Advantage Act as described below or 2) be a for-profit business that provides essential goods or services to local governments' residents of which at least 51% of the benefitting residents qualify as low- and moderate income (LMI).

**1) Nebraska Advantage Qualified Businesses:** Meet the definitional criteria to be a "qualified business" as defined in the Nebraska Advantage Act, as that Act exists at the time an eligibility determination is made. The following listing summarizes the categories of businesses considered to be a "qualified business" under the Nebraska Advantage Act. The statutory text and regulatory interpretations 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/Warehousing
- Transportation
- Headquarters (administrative)
- Data Centers
- Scientific Testing

- 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)

**2) Essential Goods or Services Business:** For profit businesses that provide essential goods or services needed by, affordable to, and benefitting low- and moderate-income residents.

- **Activities are eligible and comply with a CDBG National Objective and State CDBG priority:**  
The following activities are eligible within the ED Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*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.*

**Note:** Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.

- **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**
- **Applicant has adopted an authorizing participation resolution**
- **Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED**
- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG ED Category Table to confirm that the application meets the minimum threshold of 25 points required to be considered to receive CDBG funding.

#### *Grant Size Limits:*

Refer to the below chart:

<b>Economic Development Category – Key Minimums, Maximums, and Requirements</b>	
Maximum Project Costs	\$1,000,000
General Administration	10% of Project Costs, not to exceed \$10,000
Construction Management	\$10,000
Local Matching Funds	100% of Project Costs
Public Benefit Standards per FTE – Maximum	\$35,000
Public Benefit Standards for goods/services	Minimum: \$350 per LMI person served Maximum: \$1,000 per LMI person served
Minimum Hourly Rate	\$11.50



*Match Requirements:*

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Under the ED category, activities require a 1:1 match.

Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. Note that the matching requirement for public facilities (infrastructure) projects undertaken for economic development purposes cannot be met using the benefited business' investment, e.g., the construction of a new plant, but rather must come directly from the applicant community, and the matching funds must be invested in the infrastructure project.

[What are the outcome measures expected as a result of the method of distribution?](#)

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

## STATE PROGRAM NAME: CDBG – Emergent Threat (EM)

### Funding Sources:

CDBG State RLF

Describe the state program addressed by the Method of Distribution.

Within the Community Development Priority Need, CDBG State RLF will be used to assist local units of government with situations that pose a serious and immediate threat to public health, safety, or welfare. Priority is given to those projects that are meeting the emergent threat criteria. All activities proposed in applications for CDBG funding in the EM Category must meet the national objective of benefitting low- and moderate- income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele), aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS), and/or through urgent need (UN).

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

Local units of government must submit a pre-application to DED. Pre-applications are accepted any time during the year. DED will determine whether the community and project are eligible for funding. This determination may be made in consultation with appropriate federal, state and/or local agencies. If the pre-application meets the requirements, DED will invite the local unit of government to submit a full application. Full applications are reviewed on a quarterly basis by DED. DED will issue a notice of approval to those applicants who demonstrate a need, eligible CDBG activity, and meet the CDBG national objective.

The applications must be signed by the chief elected official and must identify how the proposed project meets and/or addresses all of the following:

- A threat must exist to health, safety, or community welfare that requires action. The threat resulted from unforeseeable and unavoidable circumstances or events (e.g., flood, tornado, fire, etc.);
- The project must meet one of the three national objectives of CDBG;
- It must be an eligible CDBG activity;
- No known alternative project or action would be more feasible than the proposed project;
- Reasonable funding summary, including:
  - Identification the major project delivery costs. (e.g., real property acquisition, legal expenses, architectural and engineering fees, project inspection fees, site work, demolition and removal, construction, equipment, etc.) and
  - Indicate the local, state, or federal funds dedicated to the project with clear identification of the CDBG portion.
  - Evidence confirming that other financial resources to alleviate the need were not available.
- Narrative must be responsive to the selection criteria as described in the Matrix below.

The Matrix below describes each selection criteria as a numerical score within the EM Category. The maximum number of points available within any application is 100 points. A minimum score of 30 points is required overall.

Selection Criteria Detailed Matrix –EM Category	Maximum	Threshold Minimum
1. Project Need	40	10
2. Project Impact	30	10
3. Project Readiness	30	10
<b>Total</b>	<b>100 points</b>	<b>30 points</b>

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category. No more than 60% of the CDBG State RLF will be disbursed to eligible CDBG EM projects.

Describe threshold factors and grant size limits.

The maximum project cost for CDBG EM activities will be in an amount up to \$450,000 per community or county. The maximum general administration is 10%, not to exceed \$25,000. Construction Management cannot exceed \$10,000.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- ***Demonstration of threat:***
  - A threat must exist to health, safety or community welfare that requires action;
  - The threat resulted from unforeseeable and unavoidable circumstances or events;
- ***Activities are eligible and comply with a CDBG National Objective:***  
The activity must meet one of the national objectives: benefit Low to Moderate Income Persons, Aid in the Prevention or Elimination of Slums or Blight, and/or Urgent Need. The following activities are eligible within the EM Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*Facilities: Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, 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); Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries;*

*Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered “public facilities” and thus eligible); and Tornado-safe shelters in manufactured home parks (Containing not less than 20 manufactured housing units that are within such proximity shelter to be of use in a tornado).*

*Infrastructure: Street improvements including curb, gutter, and sidewalk; Storm sewer improvements; Flood control; and Drainage improvements; Publicly owned water system improvements including, source treatment, storage, and/or distribution improvements; Publicly owned sanitary sewer collection and/or treatment system improvements; and when in support of any of the above activities, acquisition/easements, demolition, and clearance activities may be undertaken.*

**Note:** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- ***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***
- ***Applicant has adopted an authorizing participation resolution***
- ***Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED***
- ***Applicant is current with all reporting requirements:*** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

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 increase accessibility, viability, and sustainability of infrastructure and/or facilities.

## STATE PROGRAM NAME: CDBG – Owner Occupied Rehabilitation (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 that are made available to persons at or below 80% of the Area Median Income. The purpose of the OOR category is to promote housing preservation by improving the quality of Nebraska's existing affordable housing. This is one of the four objectives as identified within the State's Consolidated Plan as identified within the Housing Priority Need. 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.

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the OOR Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Housing).

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

The Matrix below describes each selection criteria as a numerical score within the OOR 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.

Selection Criteria Detailed Matrix – OOR Category		
Selection Criteria	Maximum	Threshold Minimum
1. Need/Impact	350	150
2. Collaboration	100	-
3. Readiness/Capacity	350	150
4. Match	75	-
5. Municipal Equalization Fund (MEF) Score	100	-
6. Achievement	25	-
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

Refer to Appendix, Section 1.3 –Application Cycle for the application due date for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

A pre-application is required. The pre-application must be submitted and accepted by the Department prior to the Department accepting a full application from the applicant.

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

- ***Applicant is eligible:*** Eligible applicants include every Nebraska incorporated municipality with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- ***Activities are eligible and comply with a CDBG National Objective and State CDBG priority:*** The following activities are eligible within the OOR Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*Rehabilitation (including rehabilitation which promotes energy efficiency) of residential owner-occupied homes; Special projects directed to the removal of material and architectural barriers, which restrict the mobility and accessibility of elderly and handicapped persons; and Payment of reasonable administrative costs related to implementing the program.*

- ***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***
- ***Applicant has adopted an authorizing participation resolution***
- ***Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED***
- ***Applicant is current with all reporting requirements:*** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG OOR Category Table to confirm that the application meets the minimum threshold of 300 points required to be considered to receive CDBG funding.

#### *Grant Size Limits:*

Refer to the below chart:

Owner Occupied Rehabilitation Category – Key Minimums, Maximums, and Requirements	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$750,000
General Administration	8% of Project Costs, not to exceed \$20,000
Housing Management	12% of Projects Costs, not to exceed \$50,000
Lead Base Paint	\$1,500 per unit
Local Matching Funds	Optional

#### *Match Requirements:*

Match is optional within the OOR category, proposed match must be for CDBG eligible activities directly related to the proposed project(s). Points will be awarded to applicants based on the amount of cash

match provided. Match is proportionally injected into the project as CDBG-funded activities are drawn down.

*Match Example*

See the table below:

OOR Match Example					
(A)	(B)		(C)	(D)	(E)
Project Activity Costs	Supporting Project Costs		0181 General Admin.*	Total CDBG Costs	Local cost-share
0530 SF Housing Rehabilitation	0580 Housing Mgmt. <sup>†</sup> \$50,000	0580a Lead Based Paint \$27,000			Match
			[A*8%]	[A+B+C]	[A*10%]
\$450,000	\$77,000		\$20,000	\$547,000	\$45,000
					1000 Total Amount
					[D+E]
					\$592,000

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

Through the CDBG OOR Category additional owner-occupied rehabilitation will occur for housing units occupied by LMI persons throughout the state.

## STATE PROGRAM NAME: CDBG – 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 for planning projects. The purpose of the Planning Category is to provide communities the opportunity to solve problems and meet citizen needs through an integrated community planning process that assesses community development needs, develops options for meeting those needs, and packages work plans or otherwise carries out strategic processes that provide the framework for successful projects directing resources toward State priorities.

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

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the PP Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, LMI Housing) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

No Preliminary Engineering Reports (PERs) that are prepared in anticipation of Water/Wastewater Advisory Committee (WWAC) funding will be funded through the PP Category. PERs that are proposed without the intention of going through the WWAC process may be funded.

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

The Matrix below describes each selection criteria as a numerical score within the PP Category. The maximum number of points available within any application is 1,050 points. A minimum score of 480 points is required and some criteria require a minimum score as noted below. Preference is given to project proposals that demonstrate a comprehensive approach. Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons.

Selection Criteria Detailed Matrix – PP Category		
Selection Criteria	Maximum	Threshold Minimum
1. Project Need (Problem Statement)	250	150
2. Project Impact	250	150
3. Project Readiness (Local Effort)	250	150
4. Matching Funds	50	-
5. LMI Benefit	50	-
6. MEF Score	100	-
7. Healthy Community Design	50	30
8. Achievements	50	
<b>Total</b>	<b>1,050 points</b>	<b>480 points</b>

Refer to Appendix, Section 1.3 –Application Cycle for the application due date for this category.



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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

Eligible local governments may individually or jointly apply and receive more than one grant per application 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.

- ***Activities are eligible and comply with a CDBG National Objective and State CDBG priority:*** The following activities are eligible within the PP Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*Community Strategic Planning such as, comprehensive plans, downtown revitalization, neighborhood revitalization, environmental and/or sustainability, brownfield revitalization, needs assessment, citizen participation, and fiscal management; Analysis of Impediments (AI) or barriers to Fair Housing Choice; Functional, Analytical, or Special Studies such as - housing; infrastructure; community or regional economic development; land use, zoning, or other related regulatory measures; feasibility; main street improvement district; energy conservation; and transportation, which includes walking/biking/multi-modal studies; and Environmental, Heritage Tourism, and Historic Preservation Studies.*

- ***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***
- ***Applicant has adopted an authorizing participation resolution***

- **Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED**
- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG PP Category Table to confirm that the application meets the minimum threshold points required to be considered to receive CDBG funding.

#### Grant Size Limits:

Refer to the below chart:

Planning Category – Key Minimums, Maximums, and Requirements	
Minimum Project Cost	\$20,000
Maximum: Individual Community, Project Costs	\$50,000
Maximum: Multi-Jurisdictional/Countywide, Project Costs	\$70,000
Local Matching Funds	25% of total project costs
General Administration	10% of Project Costs not to exceed \$3,000

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

All activities funded with PP resources, except costs associated with general administration, require a minimum cost-share where the local match must be at least 25% of total CDBG project activity costs. See the table below:

Planning Match Example				
(A)	(B)	(C)	(D)	(E)
Project Activity Costs	0181 General Admin.*  [A*10%]	Total CDBG Costs  [A+B]	Local cost-share Match  [A*25%]	1000 Total Amount  [C+D]
\$40,000	\$3,000	\$43,000	\$10,000	\$53,000

\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$3,000 overall.

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

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the PW Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele).

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

The Matrix below describes each selection criteria as a numerical score within the PW 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.

Selection Criteria Detailed Matrix – PW Category		
Selection Criteria	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	200	75
4. Community Support	150	75
5. Match	50	
6. LMI Benefit	50	
7. Municipal Equalization Fund (MEF) Score	100	
8. Achievements	50	
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

Refer to Appendix, Section 1.3 –Application Cycle for the application due date for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for this category. No more than 50% of available funds may be designated for infrastructure projects, the balance of available funds may be designated for facility projects. If the facility projects are less than the 50%, the infrastructure project may exceed 50%.

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

***NOTE:*** Eligible applicants may submit one application for facility projects and one application for infrastructure activities during the program year's application cycle.

- ***Activities are eligible and comply with a CDBG National Objective and State CDBG priority:***  
The following activities are eligible within the PW Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

***Facilities:*** Community Centers; Senior Centers exclusively for persons aged 62 and over; Nonprofit centers for daycare, 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); Remodel shelter facilities for the homeless (excludes costs for operation); Accredited public libraries; Neighborhood parks (a new facility/improvement or a quantifiable increase of an existing facility/improvement); Single- or multi-service fire/rescue buildings (Fire trucks are specifically considered "public facilities" and thus eligible); Removal of architectural barriers for accessibility; and 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).

***Infrastructure:*** 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; Removal of architectural barriers for accessibility; and Drainage improvements (e.g. retention ponds or catch basins).

***Note:*** Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.

- ***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***
- ***Applicant has adopted an authorizing participation resolution***
- ***Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED***

- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG PW Category Table to confirm that the application meets the minimum threshold of 300 points required to be considered to receive CDBG funding.

*Grant Size Limits:*

Refer to the below chart:

Public Works Category – Key Minimums, Maximums, and Requirements	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$400,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs
Cost per Resident Beneficiary (except for Daycares)	\$3,000
Cost per Daycare Beneficiary	\$10,000

*Match Requirements:*

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

All activities funded with PW resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the match must be at least 25% of total CDBG project activity costs. See the table below:

PW Local Cost-Share Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*	Total CDBG Costs	Local cost-share Match	1000 Total Amount
0070 Public Facilities		[A*10%]	[A+B+C]	[A*25%]	[D+E]
\$350,000	\$10,000	\$25,000	\$385,000	\$87,500	\$472,000

\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$25,000 overall.

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

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

## STATE PROGRAM NAME: CDBG – 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. The purpose of the Tourism Development (TD) Category is to provide investments in effective and affordable tourist attraction facilities to quality communities that are investing in long-term development. This provides a sound basis for assisting tourist attraction projects that have attracted significant financial support and are likely to have long-term positive impacts on their local and regional economies. Tourist attractions projects that serve both a regional and a local economy of community need are a key element in satisfying the state objective. The objective of Tourism Development is to assist tourism development projects that have already attracted significant financial support and are likely to have long-term positive impacts on the local and regional economics.

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the TD Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Jobs, LMI Limited Clientele) or aid in the prevention or elimination of slums or blight in either an area (SBA) or spot basis (SBS).

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

The Matrix below describes each selection criteria as a numerical score within the TD 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. Priority is given to projects meeting the primary national objective of benefiting low- and moderate-income persons.

Selection Criteria Detailed Matrix –TD Category	Maximum	Threshold Minimum
1. Project Need	200	75
2. Project Impact	200	75
3. Project Readiness	250	100
4. Community Support	150	50
5. Match	50	-
6. LMI Benefit	50	
7. Municipal Equalization Fund (MEF) Score	100	-
<b>Total</b>	<b>1,000 points</b>	<b>300 points</b>

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 scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

Refer to Appendix, Section 1.3 –Application Cycle for the application cycle for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).
- ***Activities are eligible and comply with a CDBG National Objective and State CDBG priority:*** The following activities are eligible within the TD Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*Historic Restorations, priority buildings and sites listed on the National Register Historic Places; Scientific and Educational Interpretive Educational Sites & Facilities; Participatory Sports Facilities; Convention Centers; Cultural and Heritage Recreational Sites and Facilities; Supporting Activities that include Removal of Material and Architectural Barriers that Restrict the Mobility and Accessibility to sites/Facilities for the Elderly and Severely Disabled Individuals in Support of Eligible Tourism Activities.*

**Note:** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- ***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***
- ***Applicant has adopted an authorizing participation resolution***
- ***Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED***
- ***Applicant is current with all reporting requirements:*** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG TD Category Table to confirm that the application meets the minimum threshold of 300 points required to be considered to receive CDBG funding.



*Grant Size Limits:*

Refer to the below chart:

Tourism Development Category – Key Minimums, Maximums, and Requirements	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$400,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs
Public Benefit Standards per FTE – Maximum	\$35,000 (LMJ Only)
Minimum Hourly Rate	\$11.50

*Match Requirements:*

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

All activities funded with CDBG resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the match must be at least 25% of total CDBG project activity costs. See the table below:

TD Match Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*	Total CDBG Costs	Local cost-share Match	1000 Total Amount
0070 Public Facilities		[A*10%]	[A+B+C]	[A*25%]	[D+E]
\$350,000	\$10,000	\$25,000	\$385,000	\$87,500	\$472,000

*\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$25,000 overall.*

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: CDBG – 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. WW category 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.

During the 2019 Program Year, all activities proposed in applications for CDBG funding in the WW Category must meet the national objective of benefitting low-and moderate-income persons (through the subcategories LMI Area Benefit, LMI Limited Clientele, or LMI Housing).

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 submit a pre-application to the Water Wastewater Advisory Committee (WWAC). WWAC is made up of state and federal agencies that include: the Nebraska Department of Economic Development, the Nebraska Department of Environmental Quality, 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 identified WWAC agency partners.

WWAC reviews the project pre-application materials then advises the applicant which assistance provider(s) can best meet the project funding needs. 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 60 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 WW funding.

Once an invitation is extended, the eligible applicant has the option to submit a WW application to DED. The Matrix below describes each selection criteria as a numerical score within the WW category. The maximum number of points available within any application is 300 points. A minimum score of 90 points is required and some criteria require a minimum score as noted below.

Selection Criteria Detailed Matrix –WW Category	Maximum	Threshold Minimum
4. Community and Project Need	100	30
5. Project Impact	100	30
6. Project Readiness	100	30
<b>Total</b>	<b>300 points</b>	<b>90 points</b>

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 scored according to the selection criteria and must meet the minimum threshold for consideration for approval.

Refer to Appendix, Section 1.3 –Application Cycle for the application cycle for this category.

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

Complete information regarding the application criteria are available within the CDBG Application Guidelines. These guidelines will provide specific details on the application questions, deadlines for completing applications, threshold requirements, and any other necessary items. This information is available on the DED website at: <https://opportunity.nebraska.gov/program/community-development-block-grant/#guidelines>

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

#### *Threshold Factors*

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:*** Eligible applicants include every Nebraska incorporated municipality or Nebraska county with a population of less than 50,000 and who are not classified as a CDBG Entitlement Community (including Omaha, Lincoln, Bellevue, and Grand Island).

***NOTE:*** Eligible applicants may submit one application for wastewater systems and one application for water systems during the program year's application cycle.

- ***Activities are eligible and comply with a CDBG National Objective and State CDBG priority:***  
The following activities are eligible within the WW Category. Where any activity is not identified among the list below, please consult the CDBG Program Manager.

*Publicly owned water system improvements including, source treatment, storage, and/or distribution improvements; Publicly owned sanitary sewer collection and/or treatment system improvements; Installation or replacement of sewer or water service lines on private property may be eligible under LMH national objective only; and when in support of any of the above activities, acquisition/easements, demolition, and clearance activities may be undertaken.*

***Note:*** *Repairing, operating, or maintaining eligible facility and infrastructure activities are ineligible.*

- ***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***

- **Applicant has adopted an authorizing participation resolution**
- **Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED**
- **Applicant is current with all reporting requirements:** For example, semi-annual project status reports, closeout reports, audit reports, notification of annual audit reports, etc.

If the application meets the above threshold criteria, then the project will be reviewed per the Selection Criteria Detailed Matrix – CDBG WW Category Table to confirm that the application meets the minimum threshold of 90 points required to be considered to receive CDBG funding.

The Drinking Water and the Clean Water State Revolving Funds priority systems will be used to prioritize projects. For more information on the Drinking Water and Clean Water State Revolving Fund priority system please look at the Department of Environmental Quality (NDEQ) website. For Clean Water Revolving Fund please visit <http://www.deq.state.ne.us/Publications+CWSRF>. For Drinking Water Revolving Fund please visit <http://www.deq.state.ne.us/Publications+DWSRF>.

Only those communities that would rank in the highest priority may be considered for CDBG funds. CDBG funds will be considered for the highest ranked communities that are ready to promptly start and complete construction within 24 months. Applicants must have a reasonably projected user fee, including all potential grant funds, exceeding \$20 per household per month.

#### *Grant Size Limits:*

Refer to the below chart for grant size limits.

<b>Water/Wastewater Category – Key Minimum, Maximums, and Requirements</b>	
Minimum Project Costs	\$250,000
Maximum Project Costs	\$400,000
General Administration	10% of Project Costs, not to exceed \$25,000
Construction Management	\$10,000
Local Matching Funds	25% of Project Costs
Cost per Resident Beneficiary	\$3,000

#### *Match Requirements:*

Proposed match must be for CDBG eligible activities directly related to the proposed project(s). Match is proportionally injected into the project as CDBG-funded activities are drawn down. The amount of match must be calculated in dollars. In-kind contributions cannot account for more than one-half (12.5%) of matching funds. Therefore, match must be at least 12.5% in cash and no more than 12.5% in-kind contributions. Consideration for match will be given for such sources as public and/or private funds, or in-kind services such as materials, labor, or other items that are directly related to the project.

All activities funded with CDBG resources, except costs associated with supporting project costs and general administration, require a minimum cost-share where the match must be at least 25% of total CDBG project activity costs. See the table below:

Water/Wastewater Match Example					
(A)	(B)	(C)	(D)	(E)	(F)
Project Activity Costs	0380 Const. Mgmt. (\$10k MAX)	0181 General Admin.*  [A*10%]	Total CDBG Costs  [A+B+C]	Local cost-share Match  [A*25%]	1000 Total Amount  [D+E]
0300 Water					
\$350,000	\$10,000	\$25,000	\$385,000	\$87,500	\$472,000

*\*General Administrative costs cannot exceed 10% of "A" Project Activity Costs, not to exceed \$25,000 overall.*

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

Through CDBG resources, communities will be improved throughout the state through the increased accessibility and sustainability of water/wastewater facilities and/or infrastructure.

## **STATE PROGRAM NAME: HOME Community Housing Development Organizations (CHDO) Operating 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 operating funds 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. An organization receiving funds under the CHDO Operating Cycle, cannot also receive a grant under the CHDO Activity set-aside.

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 Operations Program will be implemented by the HOME Investment Partnership (HOME) Program within DED. The HOME Program will utilize a separate application cycle titled the "CHDO Operating 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 against all eligible applications. The two highest scoring applications will be recommended for award, with a grant maximum of \$50,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year (this also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a)). The application deadline is September 30, 2019.

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

Applications must receive at least 200 points in order to be considered for funding during the 2019 HOME CHDO Operating Cycle.

Below is the HOME CHDO Operating Category Scoring Criteria Matrix:

SELECTION CRITERIA MATRIX	
Criteria	Points Possible
Need	200
Impact on Housing Need	100
Sustainability	100
Financial Management	100
<b>Total Possible Points</b>	<b>500</b>

Complete application guideline information will be made available within the CHDO Operating Application. 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: <https://opportunity.nebraska.gov/program/home>

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

[Describe how resources will be allocated among funding categories.](#)

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Operating Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked for all eligible applications. The grant maximum of \$50,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a).

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

[Describe threshold factors and grant size limits.](#)

Eligible applicants include 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 CHDO Operating Cycle grant maximum is \$50,000; and in the CHDO Activity Application Cycle, the organizational operating maximum is \$16,000, as long as the grant is not more than 50% of the CHDO's total operating expenses within that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1) and (2) of the Act, as well as funds for operating expenses provided under §92.208(a).

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

The HOME CHDO Operating Program will aid organizations in developing a HOME CHDO eligible homebuyer activity to begin within 24 months.

## STATE PROGRAM NAME: HOME Community Housing Development Organizations (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 homebuyer 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. An organization receiving funds under the CHDO Activity set-aside, cannot also receive a CHDO Operating Grant.

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 HOME Investment Partnership (HOME) Program within DED. The HOME Program 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 against all eligible applications. The three highest scoring applications will be recommended for award, with a grant maximum of \$250,000, and organizational operating maximum of \$16,000. The application deadline is September 30, 2019.

Applications must receive at least 200 points in order to be considered for funding during the 2019 HOME CHDO Cycle. Below is the HOME CHDO Category Scoring Criteria Matrix:

Selection Criteria Matrix	
Criteria	Points Possible
Project Design	150
Need and Impact	100
Project Financing	75
Collaboration	75
Capacity	100
<b>Total Possible Points</b>	<b>500</b>



Complete application guideline information will be made available within the CHDO Program Application. The Application 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: <https://opportunity.nebraska.gov/program/home/>

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

[Describe how resources will be allocated among funding categories.](#)

Refer to Appendix, Section 1.2 – Estimated Categorical Distribution Table for the anticipated funding for the CHDO Program Application Cycle. The CHDO Application process will include first reviewing the application and certifying or recertifying an organization as a CHDO. Second, the application will be scored and ranked against all eligible applications. The three highest scoring applications will be recommended for award, with a grant maximum of \$250,000, and organizational operating maximum of \$16,000.

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

[Describe threshold factors and grant size limits.](#)

Eligible applicants include 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 grant project costs maximum is \$250,000, and the organizational operating maximum is \$16,000.

[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 Consolidated Annual Performance Evaluation 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% tax credits 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, 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: <https://www.nifa.org/res-dev/application>

A joint NIFA/DED application is completed online in order for eligible applicants to apply for LIHTCs and HOME resources. The NIFA/DED application includes a variety of detailed selection criteria which include, but are not limited to, site control requirements, evidence of sufficient funding resources, and a market study. The complete application can be found on NIFA's website at: <https://www.nifa.org/res-dev/application>

Describe how resources will be allocated among funding categories.

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

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

Describe threshold factors and grant size limits.

Only eligible HOME applicants can apply for HOME resources within the NIFA/DED application cycles. Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, 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 to determine the availability of HOME funds for any given project.

[What are the outcome measures expected as a result of the method of distribution?](#)

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

## 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 extremely low-income (ELI) persons on an area basis.

Eligible applicants may submit applications based on one of three application types that include:

- 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 LIHTC 9% application cycles. This allocation will be referred to as the "LIHTC 9% Set Aside". Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
- Nebraska will allocate a portion of the State's annual HTF allocation for targeted needs housing projects funded with non-LIHTC resources. These projects will help determine how the State can develop smaller scale projects within areas of the state that are experiencing shortages of available housing for those populations with targeted needs. This allocation will be referred as the "Targeted Needs Set Aside". Funds not utilized within this category may be utilized within the other Set Asides in order for the State to timely distribute HTF funds.
- Nebraska will allocate the remainder of HTF 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.

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; and public housing authorities. 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.

The HTF Allocation Plan is designed to ensure that applicants will have the opportunity to compete for funding to address their unmet rental housing needs where economically feasible. Applicants will need to meet threshold criteria in order to be considered for funding. Applications will be scored on 70 points with equal consideration given to the following categories: Geographic Diversity; Ability to Obligate Funds; Timeliness; Project Based Rental Assistance ELI; Affordability Period; Priority Housing Needs; and Non-Federal Funding Sources.

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

HTF Criteria	Points Possible
1. Geographic Diversity	10
2. Ability to Obligate Funds	10
3. Timeliness	10
4. Project Based Rental Assistance ELI	10
5. Affordability Period	10
6. Priority Housing Needs	10
7. Non-Federal Funding Sources	10
<b>Total Possible Points</b>	<b>70</b>

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

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

[Describe how resources will be allocated among funding categories.](#)

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

1. Nebraska will reserve a portion of the State’s annual HTF allocation to affordable rental, multi-family projects in coordination with the Nebraska Investment Finance Authority’s (NIFA) joint DED/NIFA application for low income housing tax credit applications within the Low Income Housing Tax Credit (LIHTC) 9% application cycles. This allocation will be referred as the “LIHTC 9% 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 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 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 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; and public housing authorities. In addition, to be eligible for HTF assistance, a recipient must meet the threshold items below:

When an application is received, it shall first be reviewed for eligibility to be scored and ranked. In order to be eligible for scoring and ranking, the application must be complete, must demonstrate that the proposed project at minimum meets the seven housing selection criteria, and includes the following information, unless waived by DED for good cause. 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 DED-provided forms for current year application will be posted on the DED 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 DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.

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 requirement.
5. Demonstrate that the State requirement and HTF Regulations concerning a sustained 30-year affordability period is maintainable.

HTF funding will be dependent on the type of program in which the applicant applies. Refer to Appendix, Section 1.2 and Section 5.1 for the distribution of the allocation for the HTF program. There is no maximum grant limit within the set amount per set-aside.

*Other threshold factors include:*

Maximum Per-unit Development Subsidy Amount

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

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

*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.

## 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 funding. 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.

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

The HOPWA Program also participates in the Nebraska HIV Care and Prevention Consortium (NHCP) which consists of HIV/AIDS medical providers, service providers, consumers, and other members of the public. Several of the members of the NHCP are representatives of the Nebraska Red Ribbon Community. The Nebraska Red Ribbon Community is a diverse group of individuals located in various geographic regions across Nebraska. This diverse group of persons living with HIV/AIDS collaborate with DHHS to enhance and enrich the lives of fellow HIV positive persons. In addition, the HOPWA Program Manager works closely with the Ryan White Part B Program Manager, the AIDS Drugs Assistance Program 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 works with the Nebraska Housing Developers Association (NHDA) to continue RentWise training to HOPWA clients across the state.

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 provides case management services statewide to persons living with HIV 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. Other requirements include the assurance of confidentiality, to ensure that all persons who qualify for assistance know of the program, assurance of ongoing programmatic and financial monitoring and maintain reporting requirements.

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.

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

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

#### *DHHS HOPWA FY2019*

Formula (State) Administrative: \$16,204

Supportive Services: \$20,000

**Total: \$36,204**

#### *NAP HOPWA FY2019*

Formula Administrative AID: \$36,728

Supportive Services AID: \$109,404

Permanent Housing Placement AID: \$24,000

Resource Identification AID: \$11,908

Short-term Rent/Mortgage AID: \$145,116

Long-term Rent AID: \$233,650

**Total: \$560,806**

**HOPWA TOTAL:** \$540,135 and \$56,875 prior year resources, for a total of \$597,010 available.

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.**

The allocation priorities, statewide funding, and Homeless Services Priority Needs influence the methods of distribution for NHAP funding. ESG funds will be utilized, along with 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 in Nebraska. NHAP is the recipient of the ESG funds for the Balance of State CoC which are allocated to the five rural CoCs and also is the recipient of state Homeless Shelter Assistance Trust Funds (HSATF) which are allocated to all seven CoC regions. NHAP subcontracts with the City of Lincoln to allocate funds in combination with the City of Lincoln's ESG funding. Eligible applicants apply for combined ESG and HSATF funding through a joint application developed by NHAP. The City of Omaha eligible applicants apply for HSATF funding through the regular NHAP application process and apply separately to the City of Omaha for ESG funds allocated to the region.

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

NHAP adopted a 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. Applicants are scored based on their capacity to meet the needs of homeless and at-risk of homeless persons within their continuum and aligns with the statewide plan to end homelessness. The NHAP funding is limited thus making the application process extremely competitive.

NHAP applicants submit an extensive application which includes information on the applicant's experience, fiscal stability, performance measures, and strategies for meeting federal program requirements, meeting the needs of the targeted populations in their community, supporting self-sufficiency of program participants, coordinating with mainstream services, collaboration with other homeless providers, participation in Coordinated Entry, adherence to the Housing First model, and projected outcomes for program participants. Performance measures include percentage of exits to positive housing destinations, percentage of increases in cash and non-cash benefits, and percentage of returns to homelessness.

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

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

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

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

Describe how resources will be allocated among funding categories.

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

In the event that the actual ESG allocation for the Nebraska BoS differs from the estimated allocation, NHAP will adjust for the difference with HSATF funding to align with the NHAP allocation announcement. Through the planning process, NHAP has reserve funding in the event that the ESG funding is less than anticipated. Conversely, if the ESG award is greater than expected, NHAP has the ability to carryover HSATF for reallocation in the next fiscal year.

Service	ESG Funds Only
Street Outreach (SO)	\$0
Emergency Shelter (ES)	\$143,535
<b>Maximum SO &amp; ES Subtotal (no more than 60% of Total Award)</b>	<b>\$143,535</b> <b>(14% of total award)</b>
Homelessness Prevention	\$324,570
Rapid Re-housing	\$377,034
HMIS	\$58,300
<b>Services Subtotal</b>	<b>\$845,140</b>
Estimated Administration (7.5%)	\$73,251
<b>Total ESG Award</b>	<b>\$976,692</b>

**\*NOTE:** The Nebraska Homeless Assistance Program reserves \$75,000 annually of the Homeless Shelter Assistance Trust Funds to be distributed in the event of a natural disaster to assist individuals and families that are homeless and at risk of homeless due to the effects of the natural disaster within the State of

Nebraska. Current NHAP funded agencies within any of the Nebraska Continuum of Care Regions that provide service coverage within areas for federally designated disaster zones may apply for the natural disaster relief funds. All activities requested to be funded must comply with the ESG program requirements identified in the Code of Federal Regulations Title 24 Part 576. In instances where natural disaster relief funds are not necessitated within the program year, the legislatively established set-aside funds of \$75,000 are reserved for the subsequent fiscal year to maintain the natural disaster relief fund. Any remaining funds are reallocated to NHAP program activities through the competitive application cycle.

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

NHAP funding is based on the PPRN formula with a hold-harmless base. The formula helps ensure an equitable distribution of funds throughout the entire state. The formula is calculated using a \$50,000 base 'hold harmless' funding amount per geographic Region; the Department of Housing and Urban Development's (HUD) annual Continuum of Care pro rata amounts; and consideration of statewide service continuity. The initial allocation formula was developed with input from the NHAP advisory committee. Due to annual fluctuations in the pro rata need amounts and the need to help ensure statewide continuity of necessary services, should applying the formula result in a decrease in funding from the prior year for the majority of the regions, or a significant increase in one or more regions, adjustments will be made to reduce the impact of the change in available funding by region. For 2019 funding, NHAP adjusted the formula due to significant changes in the pro rata amounts in some regions in order to provide adequate resources across the State of Nebraska.

At present, DHHS does not have grant limits established for NHAP funds per subrecipient agency. However; because DHHS attempts to achieve equitable distribution of grant awards which are determined by available funds, identified service gaps and the number of requests, the NHAP review teams determine final funding based on the community needs and applicant application score.

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

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

NHAP is the recipient of the ESG BoS funds and allocates the HSATF funds throughout the State of Nebraska, including the entitlement CoC cities of Omaha and Lincoln. NHAP utilizes the HSATF funds as matching dollars for the ESG funds for the City of Lincoln but due to the subrecipient structure, NHAP has not been directly collecting the outcomes from City of Lincoln for reporting performance measures and outcomes. This left a deficit in reporting the outcomes for activities in Lincoln supported by the HSATF funds as Lincoln was only reporting outcomes for ESG funds in the Sage report. HSATF funds allocated to Lincoln were reported in supplemental reporting materials in the CAPER. For program year (FY19), NHAP will be collecting and reporting data in the Sage report of the CAPER for HSATF funds allocated to Region 6, City of Lincoln, which will increase the number of program participants served through the matching funds provided by HSATF awards. The increase of the numbers served are reflected in the Goals and Outcomes section of the FY19 AAP. See section AP-20 for the expected annual goals and objectives which include data regarding the number of individuals/households served through the HSATF allocation to the City of Lincoln. NHAP has been collecting data from the City of Omaha for outcomes served through HSATF funds and the City of Omaha reports outcomes for ESG for the Omaha CAPER report.

## ***Discussion: Community Development Block Grant (CDBG) Redistribution and Reallocation of Funds***

Funds remaining uncommitted and unobligated from prior years' allocations on the acceptance date for the 2019 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 CDBG funding category identified in the 2019 Annual Action Plan. Funds for State Administration 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 2019 shall be used in conformance with the 2019 CDBG Application Guidelines, unless otherwise specified by HUD.

### **Redistributed Funds**

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 three months following a 12-month Program Year in order to meet the HUD Timely Distribution requirement that requires the CDBG grant amount for a given Federal Fiscal Year to be distributed within a HUD required 15-month time-frame.

### **Recaptured 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 following priorities.

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

The second priority for the redistribution of recaptured CDBG funds is to the Downtown Revitalization (DTR) Category of the Community Development Priority Need. The amount redistributed will not exceed the total funds required to fund all eligible and viable projects in the DTR Category application cycle.

Funds recaptured from Economic Development category grantees may be redistributed to either the Economic Development category or the Tourism Development category in conformance with 2019 Application Guidelines, or may be distributed among other funding categories.

Funds cancelled and recaptured from CDBG grantees will be redistributed in conformance with the CDBG Application Guidelines as follows: (1) if there are sufficient funds within 105 days from the date of the 2019 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 2019 CDBG application acceptance date, may be redistributed in conformance with the 2019 CDBG Application Guidelines.

## AP-35 Projects – (Optional)

### ***Introduction:***

ESG and HOPWA, have been added to the AP-35 Section as projects. Both DHHS programs have been added per current IDIS guidance material available through HUD. The CDBG, HOME, and HTF Programs of DED will not be added this program year but the Department will continue to move forward in making technical updates to be able to load those programs in the AP-35 also in the future.

ESG projects have been determined through the NHAP application process and included in the AP-35; however the ESG amount is not yet entered into IDIS thus the Activity Funding section cannot be connected to the identified activities until final funding determination.

The 2019 Program Year begins July 1, 2019. Funding for CDBG, HOME, and HTF projects will not be determined until program-specific applications are received and evaluated, which will occur in 2019.

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

IDIS Project ID	Project Title
1	ESG19 Nebraska
2	2019 Nebraska AIDS Project NEH19-F999 (NAP)
3	2019 State of Nebraska NEH19-F999 (NE)

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

The 2019 Program Year allocation priorities were determined through the 2015-2019 Consolidated Planning process.

## AP-38 Project Summary (optional)

### Project Summary Information

1	<b>Project Name</b>	ESG19 Nebraska
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	Nebraska Homeless Assistance Program (NHAP)
	<b>Needs Addressed</b>	Homeless Services Priority Need
	<b>Funding</b>	Homeless Shelter Assistance Trust Fund: \$3,415,488 ESG: \$976,692
	<b>Description</b>	The Nebraska BoS plans to utilize the 2019 federal Fiscal Year allocation of ESG funds to provide outreach to literally homeless persons living on the streets; operate shelters throughout the state; provide utility, other financial assistance and services to prevent homelessness; provide rent, other financial assistance, and services to support rapid rehousing programs; strategize with the Coordinated Entry system to quickly house homeless individuals; collect data on homelessness through HMIS, and for program administration.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Street Outreach: 309 individuals assisted Tenant-based rental assistance / Rapid Rehousing: 467 Households Assisted Homeless Person Overnight Shelter: 5393 Persons Assisted Homelessness Prevention: 1645 Persons Assisted
	<b>Location Description</b>	The ESG and HSATF funds that comprise NHAP funding are distributed throughout Nebraska Balance of State.
2	<b>Planned Activities</b>	Provision of homeless and at risk of homeless services through Street Outreach, Emergency Shelter, Rapid Rehousing and Homelessness Prevention services. Provide funding support for the HMIS systems in the State of Nebraska for contributing data for outcome and compliance reporting for ESG and HSATF activities.
	<b>Project Name</b>	2019 Nebraska AIDS Project NEH19-F999 (NAP)
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	HOPWA Program
	<b>Needs Addressed</b>	HOPWA Priority Need
	<b>Funding</b>	HOPWA: \$560,806
	<b>Description</b>	The Project Sponsor will provide administrative oversight, direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Tenant-based rental assistance / Rapid Rehousing: 12 Households assisted annually; Other goal services are supportive services, housing information, resource identification and short-term rent/mortgage: 45 Persons served annually
	<b>Location Description</b>	Statewide



	<b>Planned Activities</b>	Provision of decent, safe and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.
<b>3</b>	<b>Project Name</b>	2019 State of Nebraska NEH19-F999 (NE)
	<b>Target Area</b>	Statewide
	<b>Goals Supported</b>	HOPWA Program
	<b>Needs Addressed</b>	HOPWA Priority Need
	<b>Funding</b>	HOPWA: \$36,204
	<b>Description</b>	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and resource development.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The State of Nebraska will provide grantee administrative oversight as the project sponsor administers tenant-based rental assistance to an estimated 12 households annually, and supportive services, housing information, resource identification and short-term rent/mortgage to another 45 persons served annually
	<b>Location Description</b>	Statewide
	<b>Planned Activities</b>	The State of Nebraska will provide grantee administrative oversight of project sponsor-led activities to provide decent, safe and affordable housing and supportive services to people who are homeless and/or at imminent risk of becoming homeless for households who have at least one person infected with the HIV virus through direct information services, tenant-based (long-term) rental assistance, short-term rent, mortgage and utility assistance, supportive services and permanent housing placement.

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

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

No

### ***Available Grant Amounts***

Not applicable.

### ***Acceptance process of applications***

Not applicable.

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

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

Yes

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

Annually, the State reviews the local revitalization strategies within the CDBG categories of Owner Occupied Rehabilitation, Planning, and Downtown Revitalization. This strategy review includes evaluating the planning process completed during the pre-development phase of the project, and evaluating the proposed activities within the planning goals and objectives that build on the revitalization strategies for the Community Development and Housing priorities. This is to ensure that during the 2019 Program Year, these activities meet a CDBG national objective of either benefitting low-and-moderate income persons (through the subcategories LMI Area Benefit; LMI Limited Clientele; or LMI Housing) or the Elimination of Slum and Blight (through the subcategories of area or spot basis).

## 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.

### ***Geographic Distribution***

Target Area	Percentage of Funds
Statewide	100

**Table - 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, DED and DHHS will approve funding for development projects that satisfy specific criteria and fund projects throughout the state. There is no specific target area for funding distribution but program assistance is provided statewide.

Nebraska is served by a system of service providers throughout the state. 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.

#### ***LIHTC 9% Set Aside***

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% 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.

## 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
<b>Total</b>	<b>634</b>

Table - One Year Goals for Affordable Housing by Support Requirement

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

Table - One Year Goals for Affordable Housing by Support Type

## Discussion:

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

### Homeless

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

### Non-Homeless

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

### Special-Needs

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

### Rental Assistance

Rental assistance will be completed primarily through ESG and HOPWA resources that include: Tenant Based Rental Assistance (TBRA); financial assistance including rental application fees, security and utility deposits, last month’s rent, utility payments, and moving costs; and short-term rent assistance. In addition, HSATF resources will also be used for this activity. The total estimated number of households for “Rental Assistance” includes ESG and HOPWA estimates of TBRA assistance combined (See also AP-20).

### Production of New Units

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

HOME funding is available 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, which can be used for new construction projects.

### Rehabilitation of Existing Units

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

### Acquisition of Existing Units

HOME funding is available to eligible CHDO organizations in order to meet the HOME regulatory requirement which ensures that at least 15% of the HOME allocation is utilized for CHDO activities, which

can be used for purchase, rehab, reuse projects.

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. This information will be compiled separately through the implementation of additional housing programs.

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

### ***Introduction:***

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***

DED will work in partnership with HUD and the troubled PHA, as designated by HUD, to understand and assess the situation of the troubled PHA. If warranted, appropriate, and available, DED will offer assistance to the PHA to identify potential federal and state technical and/or financial resources for which the PHA is an eligible applicant with eligible activities.

Currently, the Harvard Housing Authority is considered a troubled PHA, and two PHAs, York and Gothenburg, are considered Housing Choice Voucher Troubled Agencies.

### ***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***

See below.

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

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

A major goal of the Coordinated Entry system is the establishment of a statewide Coordinated Entry list which provides homeless individuals and families to have additional client-choice to relocate to another part of the state in order to move closer to natural supports, employment opportunities or proximity to services.

NHAP will continue to require subrecipient participation in conducting the standardized assessment for every individual that is literally homeless or in emergency shelter and referring to the Coordinated Entry system if the program participant so chooses to do so. NHAP is in partnership with the HMIS provider to receive customized reports regarding entry and exits from homeless assistance programs to monitor NHAP subrecipient compliance with utilizing the Coordinated Entry process.

Additionally, the Coordinated Entry Manager and the public access doors will train other community agencies that encounter unsheltered homeless persons. This includes law enforcement, hospital emergency units, faith communities and other service agencies to continue building symbiotic relationships in efforts to increase the referral networks with CoC provider agencies when they encounter unsheltered persons in need of assistance.

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

Emergency Shelter and Transitional Housing are a critical part of the homeless service system and will remain a needed service throughout the State for a variety of reasons, but not limited to; restrictive participant income eligibility for Rapid Rehousing (RRH) and/or CoC funded programs, short-term housing solutions for working poor experiencing temporary barriers to independent housing due to financial

shortfalls, individuals experiencing domestic violence, lack of immediately available fair market housing, individuals exiting substance abuse treatment centers, youth under the age of 25, and to meet special needs of subsets of program participants.

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

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

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

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

***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. NHAP is an active participant of the Coordinated Entry (CE) planning committee and a member of the CE governing body to provide feedback and to ensure inclusion for all homeless and at risk of homeless in our communities.



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 standardized assessment tools 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 Permanent Supportive Housing (PSH) CE list and those individuals with less intensive needs are placed into permanent housing through Rapid Rehousing programs. Homeless youth are identified for the Transition Aged Youth program that operates within the CE system. Consequently, by identifying chronically homeless and the most vulnerable individuals in the state, active coordination between agencies and then making an expedited and appropriate level of intervention, individuals and families are experiencing homelessness are served in an efficient manner.

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

Nebraska also maintains a Veteran's Coordinated Entry process through the SSVF funding source. Veterans who present at a homeless service provider as homeless or at-risk of homeless are referred to this program for permanent housing opportunities and other supports. In the event of lack of capacity in SSVF, veterans are given priority scoring on the conventional Coordinated Entry list. A major accomplishment for the Nebraska BoS has been certification by the United States Interagency Council on Homelessness (USICH) as achieving functional zero for homeless veterans. The SSVF program is an active participant in the Continuums of Care and will continue to meet the needs of homeless veterans.

Over the course of the next year, NHAP will continue to monitor the 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 DED and other Federal and State agencies to identify where there is a lack of affordable housing and gaps in services across the State.

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

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

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

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

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

In further support of these efforts, NHAP currently sets aside a portion of the HSATF to provide financial support for agencies, designed by their local CoC, to assist individuals who are at risk of homeless or homeless with applying for Social Security Income or Social Security Disability Income benefits through the SSI/SSDI Outreach, Access and Recovery (SOAR) program to improve economic self-sufficiency for eligible candidates. These are set-aside funds for this particular program and are not included in the total of the HSATF funding reported in the AAP. The goal of NHAP is to expand this model with qualifying minor children and transition aged youth, particularly those aging out of foster care and juvenile correctional facilities.

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

NHAP will continue to evaluate policies across the CoC regions in order to help low-income individuals and families to avoid becoming homeless, especially extremely low-income families who are being discharged 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 to connect individuals served with mainstream resources and services.

### 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
<b>Total</b>	<b>52</b>

## AP-75 Barriers to Affordable Housing – 91.320(i)

### ***Introduction:***

Below is information on the actions planned for 2019 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 2019 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 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 HTF 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 DED 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 assists 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.

The National Housing Trust Fund (HTF) is an 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.

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.

## 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 and programs 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/or maintaining rental units throughout the state to serve ELI 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.

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 through CDBG, HOME, HTF, ESG, & 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 Water/Wastewater Advisory Committee).

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

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. DED continues to collaborate with DHHS, Public Housing Authorities, and homeless service providers throughout the state.

The Nebraska Homeless Assistance Program (NHAP) is housed within the infrastructure of DHHS. Being part of this collective organization, which includes Behavioral Health, Developmental Disabilities, Medicaid, Children and Family Services, and Public Health, allows for continued collaboration and coordination across the various disciplines in support of the delivery of housing and supportive service needs. NHAP requires a yearly plan that is part of the program application to outline how agencies are connecting homeless and at-risk of homelessness persons with mainstream services and how funded housing agencies connect with other social service providers in their regions.

### ***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.



## 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, at the state level, that is available for use that is included in projects to be carried out.

In addition, Nebraska permits local units of government to retain program income, refer to Appendix, Section 2.2 for a list documenting 30 of 132 local program income accounts within the non-entitlement. More information regarding all local program income accounts will be included in future annual action plans.

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	<b>\$250,000</b>
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
<b>Total Program Income:</b>	<b>\$250,000</b>

### Other CDBG Requirements

1. The amount of urgent need activities	\$1,500,000
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.	70.00% of CDBG funds will be used to benefit LMI persons during 2019, 2020, and 2021

### **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:**

Refer to Section 3.1 of the Appendix for the full language of the resale and recapture provisions for the HOME program.

- 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:**

Refer to Section 3.1 of the Appendix for the full language of the resale and recapture provisions for the HOME program.

- 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 91.320(k)(3)**

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

ESG written standards are a living document and as such, will be revisited, edited and updated as needed. The current versions of this document is posted at: <https://ccfl.unl.edu/community-services-management/resources/bos-coc-ne-500>. See Appendix 4.1 for a copy of the written standards.

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

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

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

The Coordinated Entry system:

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

The role and expectations of the CoC include:

- Overseeing body for the community-wide planning and coordination of programs for individuals and families who are homeless.
- The purpose and objectives of the Balance of State CoC are:
  - Gather information in order to identify and fill the gaps in services and community needs;
  - Protect and improve the lives and safety of the homeless and near homeless;
  - Actively engage homeless and other stakeholders in developing solutions to achieving self-sufficiency;
  - Communicate with funding entities, other organizations and the public at large to promote the general welfare of the homeless and to increase self-sufficiency; and
  - Ensure full development of a continuum of care with the shelter, housing and programs necessary to meet the needs of all homeless people and efficiently and effectively move them to self-sufficient life.

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

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

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

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

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

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

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

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

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

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

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

**Discussion:** See above

## **HOPWA Program**

- 1. 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.

### **Housing Trust Fund (HTF) Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds?

DED will distribute the HTF funds through applications submitted by eligible recipients.

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

N/A

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

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

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; and public housing authorities that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

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** *(Please refer to Appendix 1.2 and Appendix 5.1 for the distribution of the allocation for the HTF program)*

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 LIHTC 9% application cycles. This allocation will be referred to as the "LIHTC 9% 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 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.

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

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

- Acquisition and rehabilitation of existing housing units (for the creation of additional rental units for ELI persons;
- Rehabilitation of existing rental units;
- Adaptive re-use of existing buildings;
- New construction;
- 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.

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

#### *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 DED for good cause. Application packages missing any of the following threshold items after the application deadline will be deemed incomplete and the applicant will be notified. Reasonable time will be given to the applicant to submit the missing information.

1. Submit a complete application to DED. After applications are submitted, DED will conduct a completeness review. The application will be deemed complete if the application package contains, at a minimum the following:
  - a. Required application forms submitted: all required DED-provided forms for current year application will be posted on the DED website 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 DED Rehabilitation Standards as to content and adhere to any necessary HUD environmental regulatory requirements.

Subsequent to the completeness review applicants will be contacted via email regarding any missing and/or incomplete items or documents. Applicants must submit all missing and/or incomplete items or documents in order to be considered for funding.

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.

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

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

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



*Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration*

(Answering the relative importance of the readiness of projects in the selection process (the scoring), 'Undertaking Projects in a Timely Manner')

The Nebraska 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.

*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.

- **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% 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.

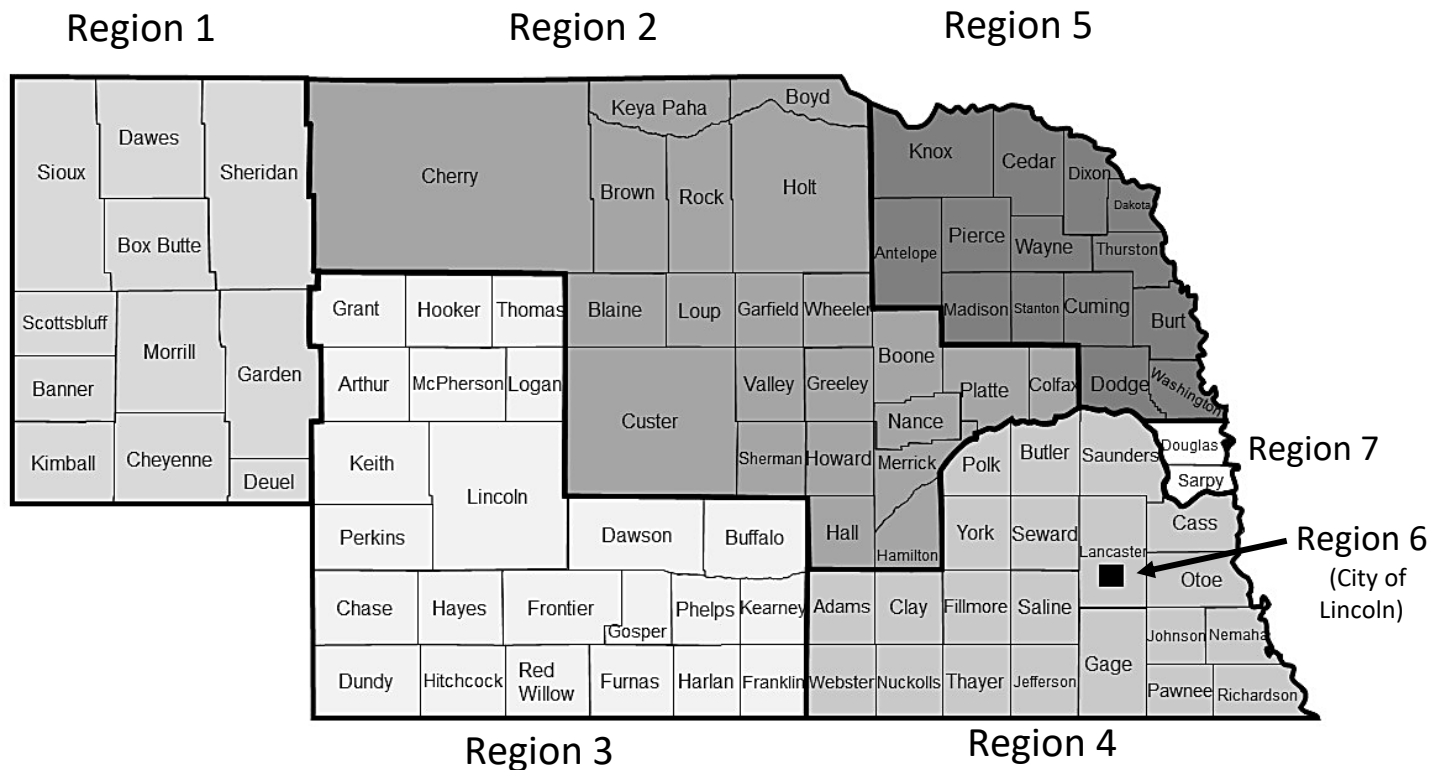
- **Targeted Needs Set Aside**

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, which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, Southeast, and Northeast CoC Regions of Nebraska.

# Continuum of Care Regions



## Nebraska Homeless Assistance Program (NHAP) Continuum of Care Regions

<b>Balance of State:</b>	Region 1, Region 2, Region 3, Region 4, Region 5
<b>Region 1 Panhandle:</b>	Sioux, Dawes, Sheridan, Box Butte, Scottsbluff, Morrill, Garden, Banner, Kimball, Cheyenne, and Deuel
<b>Region 2 North Central:</b>	Cherry, Keya Paha, Boyd, Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Custer, Valley, Greeley, Boone, Platte, Colfax, Sherman, Howard, Nance, Merrick, Hall, and Hamilton
<b>Region 3 Southwest:</b>	Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Buffalo, Chase, Hayes, Frontier, Gosper, Phelps, Kearney, Dundy, Hitchcock, Red Willow, Furnas, Harlan, and Franklin
<b>Region 4 Southeast:</b>	Polk, Butler, Saunders, York, Seward, Lancaster (excluding Lincoln), Cass, Adams, Clay, Fillmore, Saline, Otoe, Webster, Nuckolls, Thayer, Jefferson, Gage, Pawnee, and Richardson
<b>Region 5 Northeast:</b>	Knox, Cedar, Dixon, Dakota, Antelope, Pierce, Wayne, Thurston, Madison, Stanton, Cuming, Burt, Dodge, and Washington
<b>Region 6:</b>	City of Lincoln
<b>Region 7 Omaha:</b>	Douglas and Sarpy

*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. Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization's proposed HTF project.

*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

Property Portfolio – Describe the applicant's portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant's development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Project Management – Describe the procedures in place for monitoring the progress of 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?

1. 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:
  - a. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
  - b. Is the project application promoting housing preservation by improving the quality of Nebraska's existing affordable housing?
  - c. Does the project application enhance statewide understanding of fair housing law through outreach and education?
2. 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.
  - a. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
  - b. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?
3. Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.
4. Describe how the proposed project impacts the community.

*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.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

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

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

▪ **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycles for LIHTC 9% 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, which are the Omaha CoC, the Lincoln CoC, and the Balance of State (BoS) CoC. The Omaha CoC and the Lincoln CoC are regions located in the Southeast area of Nebraska, are approximately 60 miles apart, and are both urban communities. The BoS CoC consists of the remaining geographical areas of the state, where many rural communities exist, and which was formerly five separate NHAP regions, named after the remaining state geographical areas: the Panhandle, North Central, Southwest, Southeast, and Northeast CoC Regions of Nebraska.

See also the CoC map above.

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

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

*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

Property Portfolio – Describe the applicant’s portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant’s development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

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

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.

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

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.

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

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?

1. 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:
  - a. Is the project application promoting additional affordable rental housing and preservation of affordable rental housing in selected markets?
  - b. Is the project application promoting housing preservation by improving the quality of Nebraska's existing affordable housing?
  - c. Does the project application enhance statewide understanding of fair housing law through outreach and education?
2. 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.
  - a. Does the project application provide appropriate shelter and/or housing to people who are homeless or at imminent risk of becoming homeless?
  - b. Does the project application provide needed services to people who are homeless or at imminent risk of becoming homeless?
3. Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.
4. Describe how the proposed project impacts the community.

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

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.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

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

Yes.



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

Yes.

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

Yes.

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds. The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area. If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

During 2019, the fourth year of the HTF 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 up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1. The current HOME subsidy limits include:

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Base</b>		\$ 61,281.00	\$ 70,250.00	\$ 85,424.00	\$ 110,512.00	\$ 121,307.00
<b>Des Moines MSA</b> Guthrie, Dallas, Polk, Madison and Warren Counties	240%	\$ 147,074.40	\$ 168,600.00	\$ 205,017.60	\$ 265,228.80	\$ 291,136.80
<b>Omaha MSA</b> Saunders, Washington, Douglas, Sarpy and Cass Counties in Nebraska Harrison, Pottawattamie and Mills Counties in Iowa	236%	\$ 144,623.16	\$ 165,790.00	\$ 201,600.64	\$ 260,808.32	\$ 286,284.52
<b>All other PJs/Counties</b>	225%	\$ 137,882.25	\$ 158,062.50	\$ 192,204.00	\$ 248,652.00	\$ 272,940.75



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:

	Wayne Crown II	Skyline Apartments	Horizon Estates	Eastbrooke Gardens
Location	Wayne	Norfolk	Holdrege	Kearney
Total Cost	\$2,955,514	\$14,068,822	\$3,745,435	\$6,805,958
Number of Units	15	92	20	32
<b>Total Cost Per Unit</b>	\$197,034.27	\$152,921.98	\$187,271.75	\$212,686.19
Unit Description	12 3-Bedroom units; 3 3-Bedroom market rate units	17 SRO units; 75 1-Bedroom units	20 3-Bedroom units	28 3-Bedroom units; 4 4-Bedroom units

Subsidy limits evidence continued:

	Ashland Affordable Housing	Eagle Heights	Garage Lofts	Belle Plaine Apartments
Location	Ashland	Omaha	Omaha	Bellevue
Total Cost	\$2,340,835	\$7,837,140	\$4,703,688	\$12,188,457
Number of Units	12	44	30	75
<b>Total Cost Per Unit</b>	\$195,069.58	\$178,116.82	\$156,789.60	\$162,512.76
Unit Description	9 4-Bedroom units; 3 4-Bedroom market rate units	12 SRO units; 13 1-Bedroom units; 14 2-Bedroom units; 5 3-Bedroom units	18 3-Bedroom units; 12 4-Bedroom units	30 3-Bedroom units; 30 4-Bedroom units; 8 3-Bedroom market rate units; 7 4-Bedroom market rate units

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below. In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

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 on rehabilitation standards in the HTF Allocation Plan.

*Indicate below if the State will use HTF funds for rehabilitation of housing.*

  X   The State plans to use HTF funds for the rehabilitation of housing and has attached its rehabilitation standards to the HTF Allocation Plan.

*Supplemental Information for Rehabilitation Standards*

Additional information regarding DED Rehabilitation Standards is identified within the Attachments in the HTF Allocation Plan.

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

N/A

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

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan.

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.

*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 LIHTC 9% cycles, a portion of HTF resources will be utilized. There are two cycles within LIHTC 9%. One cycle is the competitive cycle for applicants throughout the State of Nebraska. The other cycle is the CRANE cycle which gives preference 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 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.

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 2019 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](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.

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

N/A

**Discussion:**

See above and refer to Section 5.1 of the Appendix.

2019 Estimated Allocation Table

	Funding Sources							
Source	CDBG Federal	HOME Federal	HTF Federal	ESG Federal	HOPWA Federal	NAHTF State	HSATF State	Total
<b>Total 2019 Allocation</b>	<b>\$10,721,667</b>	<b>\$3,674,297</b>	<b>\$3,000,000</b>	<b>\$976,692</b>	<b>\$540,135</b>	<b>\$11,250,000</b>	<b>\$3,415,488</b>	<b>\$33,578,279</b>
<i>State Administration, Operations, &amp; Technical Assistance</i>	<i>\$421,650</i>	<i>\$367,430</i>	<i>\$300,000</i>	<i>\$73,252</i>	<i>\$16,204</i>	<i>*</i>	<i>\$75,000</i>	<i>\$1,253,536</i>
<i>2019 Allocation available to Eligible Applicants</i>	<i>\$10,300,017</i>	<i>\$3,306,867</i>	<i>\$2,700,000</i>	<i>\$903,440</i>	<i>\$523,931</i>	<i>\$11,250,000</i>	<i>\$3,340,488</i>	<i>\$32,324,743</i>
<b>Total Prior Year Resources (Carryover): Available to Eligible Applicants</b>	<b>\$3,353,574</b>	<b>\$1,419,226</b>	<b>\$1,830,195</b>	<b>\$0</b>	<b>\$56,875</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,659,870</b>
<b>Program Income</b>	<b>\$8,243,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,243,840</b>
<b>TOTAL FUNDING AVAILABLE</b>	<b>\$22,319,081</b>	<b>\$5,093,523</b>	<b>\$4,830,195</b>	<b>\$976,692</b>	<b>\$597,010</b>	<b>\$11,250,000</b>	<b>\$3,415,488</b>	<b>\$48,481,989</b>
<b>TOTAL TO DISTRIBUTE TO ELIGIBLE APPLICANTS</b>	<b>\$21,897,431</b>	<b>\$4,726,093</b>	<b>\$4,530,195</b>	<b>\$903,440</b>	<b>\$580,806</b>	<b>\$11,250,000</b>	<b>\$3,340,488</b>	<b>\$47,228,453</b>

\* State Administration for the NAHTF program comes from the State of Nebraska's main line budget bill for the biennium.

## 2019 Estimated Categorical Distribution Table\*

Funding Source	Priorities					State Administration	Total
	Affordable Housing	Community Development	Economic Development	Homeless Services	HOPWA Services		
<b>CDBG (Allocation/Carryover)</b>						\$421,650	<b>\$14,075,241</b>
<i>Downtown Revitalization</i>		\$2,826,469					
<i>Economic Development (infrastructure)</i>			\$1,775,000				
<i>Planning</i>		\$393,062					
<i>Public Works</i>		\$3,054,060					
<i>Owner Occupied Rehabilitation</i>	\$3,100,000						
<i>Tourism Development</i>			\$1,200,000				
<i>Water/Wastewater</i>		\$1,305,000					
<b>CDBG State RLF</b>							<b>\$8,243,840</b>
<i>Economic Development (non-infrastructure)</i>			\$3,297,536				
<i>Emergent Threat</i>		\$4,946,304					
<b>HOME</b>						\$367,430	<b>\$5,093,523</b>
<i>CHDO Project</i>	\$750,000						
<i>CHDO Operating</i>	\$148,000						
<i>LIHTC Competitive and CRANE</i>	\$3,828,093						
<b>HOPWA</b>					\$580,806	\$16,204	<b>\$597,010</b>
<b>ESG (NHAP)</b>				\$903,440		\$73,252	<b>\$976,692</b>
<b>HSATF (NHAP)</b>				\$3,340,488		\$75,000	<b>\$3,415,488</b>
<b>HTF</b>						\$300,000	<b>\$4,830,195</b>
<i>LIHTC 9%</i>	\$630,195						
<i>Permanent Set Aside</i>	\$1,400,000						
<i>Targeted Needs Set Aside</i>	\$2,500,000						
<b>NAHTF</b>	\$11,250,000					**	<b>\$11,250,000</b>
<b>TOTAL</b>	<b>\$23,606,288</b>	<b>\$12,524,895</b>	<b>\$6,272,536</b>	<b>\$4,243,928</b>	<b>\$580,806</b>	<b>\$1,253,536</b>	<b>\$48,481,989</b>

\*Amounts include the 2019 allocation, carryover from previous years, and program income.

\*\* State Administration for the NAHTF program comes from the State of Nebraska's main line budget bill for the biennium.

## 2019 Application Cycles

Funding Source	Application Cycle
<b>Community Development Block Grant (CDBG)</b>	
▪ Downtown Revitalization	1 <sup>st</sup> Cycle: September 15, 2019 2 <sup>nd</sup> Cycle: To Be Determined
▪ Economic Development	Open Cycle: begins May 1, 2019
▪ Emergent Threat	Open Cycle
▪ Owner Occupied Rehabilitation	September 30, 2019
▪ Planning	October 30, 2019
▪ Public Works	1 <sup>st</sup> Cycle: August 30, 2019 2 <sup>nd</sup> Cycle: To Be Determined
▪ Tourism Development	Open Cycle: begins May 1, 2019
▪ Water/Wastewater	Open Cycle: begins May 1, 2019
<b>HOME Investment Partnership</b>	
▪ CHDO	September 30, 2019
▪ LIHTC	1 <sup>st</sup> Round and 2 <sup>nd</sup> Round posted here: <a href="https://www.nifa.org/res-dev/application">https://www.nifa.org/res-dev/application</a>
▪ CRANE	Open Cycle
<b>Housing Opportunities for Persons with AIDS (HOPWA)</b>	
	Open Cycle
<b>NHAP (Emergency Solutions Grant/ Homeless Shelter Assistance Trust Funds)</b>	
	February 15, 2019
<b>National Housing Trust Fund</b>	
▪ LIHTC – CRANE	Open Cycle
▪ LIHTC – Competitive	1 <sup>st</sup> Round and 2 <sup>nd</sup> Round posted here: <a href="https://www.nifa.org/res-dev/application">https://www.nifa.org/res-dev/application</a>
▪ Permanent Set Aside	Open Cycle
▪ Targeted Needs Set Aside	Open Cycle
<b>Nebraska Affordable Housing Trust Fund</b>	
<i>Housing Projects &amp; Non-profit Technical Assistance Cycle</i>	
▪ Pre-Application	February 28, 2019
▪ Full Application	April 30, 2019
<i>Disaster Recovery Housing Projects Cycle</i>	
▪ Pre-Application	June 5, 2019
▪ Full Application	July 31, 2019

# Proposed 2019 Annual Action Plan (AAP)

## Notice of Public Hearings & Public Comment Period

The Nebraska Department of Economic Development (DED) and the Nebraska Department of Health and Human Services (DHHS) have created the *Proposed 2019 Annual Action Plan* (AAP). The AAP includes a description of program funding, national and state objectives, application schedules, eligible activities, and selection criteria for projects for the following programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership Program (HOME)
- National Housing Trust Fund (HTF)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with Aids (HOPWA)
- Homeless Shelter Assistance Trust Fund (HSATF)
- Nebraska Affordable Housing Trust Fund (NAHTF)

DED and DHHS are soliciting public comments from March 4 – April 2, 2019 by 5 p.m. CT. During this timeframe, public hearings will be conducted on:

### March 13, 2019

North Platte: (9 a.m. CT): Nebraska Department of Labor, 600 E. Francis, Suite 9, North Platte, NE  
 Kearney (2 p.m. CT): Kearney Public Library, 2020 1<sup>st</sup> Ave., Kearney, NE  
 Scottsbluff (2 p.m. MT): Lied Scottsbluff Public Library, 1809 3<sup>rd</sup> Avenue, Scottsbluff, NE

### March 27, 2019

Norfolk (9:30 a.m. CT): Norfolk Public Library, 309 N 5th St, Norfolk, NE 68701  
 Lincoln (2:30 p.m. CT): Nebraska State Office Building, Lower Level A, 301 Centennial Mall South Lincoln, NE  
 Website Streaming (2:30 p.m. CT/1:30 p.m. MT): To access, visit <https://opportunity.nebraska.gov/events>

Beginning March 1, 2019 an electronic copy of the *Proposed 2019 Annual Action Plan* will be available on the Department's website, <https://opportunity.nebraska.gov/reports>. Copies of the *Proposed 2019 Annual Action Plan* will be available at the libraries listed below, and at the public hearing locations. Copies can also be requested by contacting Lori Cole, Office Manager, at 800-426-6505 or 402-471-3746, or by emailing her at [lori.a.cole@nebraska.gov](mailto:lori.a.cole@nebraska.gov). Printed copies of the *Proposed 2019 Annual Action Plan* will also be available for review at the following locations:

Alliance Public Library, 1750 Sweetwater Ave., Alliance, NE  
 Auburn Memorial Library, 1810 Courthouse Ave., Auburn NE  
 Bennett Martin Public Library, 136 S. 14<sup>th</sup> St., Lincoln, NE  
 Central City Public Library, 1604 15<sup>th</sup> Ave., Central City, NE  
 Chadron Public Library, 507 Bordeaux St., Chadron, NE  
 Garfield County Library, 217 G St., Burwell, NE  
 Goodall City Library, 203 W. A St., Ogallala, NE  
 Jensen Memorial Library, 443 N. Kearney Ave., Minden, NE  
 Lexington Public Library, 907 N. Washington St., Lexington, NE  
 Lied Scottsbluff Public Library, 1809 3<sup>rd</sup> Ave., Scottsbluff, NE



McCook Public Library, 802 Norris Ave., McCook, NE  
Sidney Public Library, 1112 12<sup>th</sup> Ave., Sidney, NE  
Thomas County Library, 501 Main St., Thedford, NE  
Valentine Public Library, 324 N. Main St., Valentine, NE  
Wayne Public Library, 410 Pearl St. Suite A, Wayne, NE  
W. Dale Clark Library, 215 S. 15<sup>th</sup> St., Omaha, NE

Public comments will be accepted March 4 – April 2, 2019 by 5 p.m. CT. All comments must be received by the Department before the close of the comment period. Mail written comments to: Nebraska Department of Economic Development, P.O. Box 94666, Lincoln, NE 68509-4666, or email: [ded.publiccomment@nebraska.gov](mailto:ded.publiccomment@nebraska.gov) with the subject line “2019 Proposed AAP.” Individuals requiring sensory accommodations, including interpreter services, Braille, large print, or recorded materials, should contact Rebecca Schademann (402-471-3172; [ded.publiccomment@nebraska.gov](mailto:ded.publiccomment@nebraska.gov)).

Los individuos que no hablan inglés y los individuos con discapacidad podrán solicitar ayuda y servicios necesarios para contactar el Departamento de Desarrollo Economico, P.O. Box 94666, Lincoln, Nebraska 68509-4666, o [ded.publiccomment@nebraska.gov](mailto:ded.publiccomment@nebraska.gov).

## **CDBG ADMINISTRATION MANUAL, CHAPTER 8: PROGRAM INCOME**

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

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

The State CDBG objective for program income is to provide adequate financing for local development to ensure Nebraska's economic prosperity and to use all resources in a timely manner. The State 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.

### **PROGRAM INCOME FURTHER DEFINED**

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

- 1) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds except in instances where the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government. [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.

## REVOLVING LOAN FUNDS DEFINED

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

## CDBG STATE REVOLVING LOAN FUND (STATE RLF)

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

Projects funded with the State RLF must meet CDBG requirements, including meeting a CDBG National Objective. The national objectives include:

- Benefit Low and Moderate Income Persons
  - LMI persons through the subcategory of job creation/job retention (LMJ), or
  - LMI persons through the subcategory of limited clientele (LMC), or
  - LMI persons through the subcategory of on an area basis (LMA).
- Aid in the Prevention or Elimination of Slum or Blight
- Urgent Need

## CDBG Allocation vs CDBG State RLF

When a community applies through the CDBG Economic Development (ED) category or the CDBG Emergent Threat (EM) category, the Department determines whether or not CDBG funds from the Annual Allocation or the State RLF are appropriate for the project.

- **Public and Private Infrastructure Projects:** The *CDBG Allocation* will be used when the community is requesting ED resources for the purposes of infrastructure development. Projects for infrastructure development include public infrastructure (i.e., activities for community owned or controlled infrastructure) and private infrastructure (i.e., streets, and other infrastructure improvements located on privately owned property). Infrastructure projects provide resources utilizing performance-based loans which may include both forgivable loans that are not paid back if a business complies with a CDBG National Objective and other CDBG requirements and grants to communities where no CDBG funds are paid back.
- **Non-Infrastructure Projects:** The *State RLF* will be used when an Economic Development project includes non-infrastructure related activities that utilize a business loan consistent with the NDO process, or a direct loan to a business by a community.
- **Emergent Threat Projects:** The *State RLF* will be used to assist local units of government that

pose a serious and immediate threat to public health, safety or welfare that requires immediate assistance and to cities and counties that see an opportunity to demonstrate sustainable community activities.

Additional policy discussion can be found in the CDBG Application Guidelines, Economic Development Category, and Emergent Threat Category.

## HOW TO REPURPOSE LOCAL PROGRAM INCOME

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Local Governments are able to amend their Reuse Plans/RLFs, including making amendments due to Emergency/ Disaster Declarations (i.e., communities have the option to repurpose their local program income). As community needs change, program income reuse plan activities may be expanded to include eligible CDBG activities and must meet the low-and moderate income (LMI) national objective. Below is additional guidance:

- Eligible CDBG Activities

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

- Eligible National Objective:

Benefit low and moderate income (LMI) persons within the subcategories of 1) Area Benefit (LMA); 2) Limited Clientele (LMC); 3) Housing (LMH); and 4) Job Creation/Retention (LMJ).

**NOTE:** Local units of government cannot fund CDBG eligible activities through the national objectives: 1) Aid in the Prevention or Elimination of Slum or Blight or 2) Urgent Need.

- Amending Reuse Plan

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

- Letter from the Chief Elected Official identifying:
  - Reason for the change of the Reuse plan,
  - Certification of approval by the local governing body (meeting minutes)
- Copy of the proposed Reuse plan

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

## LOCAL ECONOMIC DEVELOPMENT (ED) PROGRAM INCOME

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

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

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

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

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

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

- All Local ED RLF must be kept in a separate bank account (preferably interest-bearing).
- All Local ED RLF must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the Local ED RLF cannot exceed 5% of the Program Income receipted during an annual reporting period.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a Local ED RLF are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a Local ED RLF, shall in no case, have a balance that exceeds \$750,000. Any amounts in excess of \$750,000 shall be returned to the State.

### Local Economic Development Program Income And Units Of General Local Government

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

- Returning the program income funds to the Department;
- Using the program income within an existing Local ED RLF;
- Establishing a Local ED RLF; or
- Utilizing the NDO process.

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

#### Returning Program Income Funds to the Department

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

Where **no Local RLF exists**, 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. (check identifies CDBG grant origination)

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

Where there is an **existing Local RLF, if a local government wishes to return program income and to discontinue the Local RLF**, the process for returning program income funds includes:

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF and that the local government is discontinuing the Local ED RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 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.

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

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

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local ED RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 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.

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

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

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

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

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

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

- 1) If the initial activity, which generated the program income and is defined as “continuing the same



project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.

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

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

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

#### **Establishing a Local ED Revolving Loan Fund**

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

- 1) The local government must provide the Department with a written Notice of Intent to use a Local Economic Development Revolving Loan Fund (Local ED RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” that is defined for new ED projects as noted above and includes “providing assistance to the same business for the same activity for which it was originally funded.”
- 2) The local government must administer the Local ED RLF locally and employ the services of a

Nebraska CDBG Certified Administrator to administer the Fund.

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

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

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

- 1) If the initial activity, which generated the program income and is defined as “continuing the same project activity”, has not been completed prior to the first receipt of program income, all program income received must be applied to the current grant activity prior to requesting additional CDBG funds.
- 2) Miscellaneous program income, generated by activities that are not defined as “continuing the same project activity”, must be applied to an open CDBG ED grant prior to requesting additional CDBG funds, or returned to the State.
- 3) Program income funds used from the Local ED Revolving Loan Fund must be consistent with the requirements of the Local Reuse Plan that must be approved by the Department 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 the Department. 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 Department.
- 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 the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to operate a Local ED RLF. 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, including returning of funds to the State.

#### **Utilizing the NDO Process**

A local government may seek to form a subgrantee 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 CDBG Allocation, wishes 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 the Department 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.
- 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 must 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 the Department and will have an approved NDO Reuse Plan in place.

Overall, 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 would not be considered program income, provided that a National Objective has been achieved. Subsequent loans by the NDO using those funds repaid to the RLF would only have to meet those requirements in the Department approved NDO Reuse Plan established by the NDO. The NDO would reinvest funds in broad-based economic development activities.

Local governments currently operating a Local ED RLF may choose to enter into an agreement with a designated NDO to carry out activities with the Local ED RLF. The NDO must be designated by the Department and operate the RLF with a Department-approved NDO Reuse Plan. The NDO must also include the local government in its service area. Once the funds are repaid to the NDO, provided that a national objective has been achieved, the funds would no longer be subject to the CDBG federal rules and regulations, thus 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.

## LOCAL HOUSING PROGRAM INCOME

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

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

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

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

### LOCAL HOUSING REVOLVING LOAN FUND VS. REUSE ACCOUNT

Per 24 CFR 570.489(f), a **Revolving Loan Fund (RLF)**, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the RLF are program income and must be substantially disbursed from the RLF before additional grant funds are drawn from the Treasury for RLF activities. Such program income is not required to be disbursed for non-revolving fund activities.

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

### HOUSING PROGRAM INCOME FUNDS POLICY

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

- All housing program income must be kept in a separate bank account (preferably interest-bearing).
- All housing program income accounts must employ or contractually retain a CDBG Certified Administrator.
- Administrative costs taken from the housing program income account cannot exceed 10% of the program income receipted during an annual reporting period: 5% for General Administration, and 5% for Housing Management.
- Each Local Reuse Plan (including amendments) must be approved by the Department.
- Funds in a housing program income account are federal and are subject to all applicable CDBG rules and regulations.
- Funds held in a housing program income account, shall in no case, have a balance that exceeds \$750,000. Any amounts in excess of \$750,000 shall be returned to the State.

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

### **Returning Program Income Funds to the Department**

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

#### *No Local Housing RLF exists*

Where **no Local Housing RLF exists**, 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. (check identifies CDBG grant origination)

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 (e.g., returned every six months, or every year, depending on whether or not there is a reasonable balance).

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

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

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

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

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

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

- 1) Sending a cover letter that clearly notes that the funds being returned are from the community’s Local Housing RLF;
- 2) Information on any outstanding loans (including the amounts of those loans, copies of the amortizations schedules, etc.); and
- 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.

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

### **Retaining the program income and using it to continue the same 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 Department-approved Local Reuse Plan, as part of the local government’s contractual requirements with the Department.

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

At the end of the calendar year, if the total amount received in a Reuse Account by the unit of local government is less than \$35,000, that amount is no longer reported as program income (24 CFR 570.489(e)). That amount should be removed from the Local CDBG Program Income Reuse Account and de-obligated to the unit of local government. This applies to Reuse Accounts only. All program income received within a Local Housing Revolving Loan Fund never loses its identity as program income and should be reported to 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 the Department prior to the local government approving any new applications for activities.
- 4) All program income within the Local Housing RLF or Local Housing Reuse Account must be locally monitored and the amount of program income within that account must be reported to the Department. 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, grants/loans made, payments received, housing activities, beneficiary data, and amendments to the original loans, as required by the Department.
- 5) All program income earned, as a result of CDBG grant activities, is subject to all requirements of Title I of the Community Development Act of 1974 (as amended) regardless of whether the original grant is open or closed when the program income is received. In addition, all program income expended from the Local Housing RLF or Local Housing Reuse Account is subject to all requirements of Title I of the Housing and Community Development Act. This includes all second and subsequent generation loans made from the Local Housing RLF or Local Housing Reuse

Account.

- 6) Local governments that are currently utilizing a Local Housing RLF or Local Housing Reuse Account and choose to discontinue the operation of that Local Account can return the funds to the Department by following the above requirements for “Returning the program income funds to the Department” noted above.

In addition, the State will schedule monitoring visits with all local governments who have operated or continue to utilize a Local Housing RLF or Local Housing Reuse 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 Program Income – Existing Local Housing Revolving Loan Fund**

In order to retain CDBG program income that is in an existing Local Housing RLF, the unit of local government will have to certify and ensure that the Local Housing RLF is properly established in order to meet the Department 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 the Department with a written Notice of Intent to use a Local Housing Revolving Loan Fund (Local Housing RLF) in order to reuse program income for CDBG eligible activities which are consistent with the definition of “continuing the same project activity” as defined above.
- 2) The local government must administer the Local Housing RLF locally and employ the services of a Nebraska CDBG Certified Administrator to administer the Fund.
- 3) The local government will develop and adopt a Revised Local Reuse Plan. The Local Reuse Plan must include:
  - a. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are



solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;

- vi) The local government understands that all projects will consist of housing activities that benefit low-to-moderate income persons;
  - vii) The local government understands that all projects funded through the Local Housing RLF must meet a CDBG National Objective; and
  - viii) The local government understands that the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

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

**All program income received in a Local Housing Revolving Loan Fund account never loses its identity as program income and should be reported 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 from the Local Housing Revolving Loan Fund must be consistent with the requirements of Revised Local Reuse Plan that must be approved by the Department 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 the Department. 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, housing activities, beneficiary data, and amendments to the original loan, as required by the Department.
- 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 the Department by following the above requirements for “Returning the program income funds to the Department” 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 the Department 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 the Department 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. A detailed description of the unit of local government;
  - b. A description of who will administer the Local Housing RLF, and certify that the entity administering the Local Housing RLF has CDBG Certified Administrators;
  - c. A description of the priorities of the program income projects that may be approved by the unit of local government which will be consistent with the definitions of “continuing the same project activity”;
  - d. A Certification that the local government will comply with the Local Reuse Plan that must include, but will not be limited to, the following:
    - i) The local government who is retaining the CDBG program income within a Local Housing RLF will comply with all applicable CDBG rules and regulations;
    - ii) The local government understands that the Local Housing RLF funds are federal and subject to all applicable CDBG rules and regulations;
    - iii) The local government must complete the proper resolution, public hearings, and environmental review for each additional project funded through the Local Housing RLF;
    - iv) The local government understands that funds must be used to significantly benefit the residents of the community that previously received the initial CDBG grant;
    - v) The local government understands that Local Housing RLF funds from a community are solely for the benefit of the community that established the Local Housing RLF and that these funds cannot be provided to any regional housing program that would assist other communities;
    - vi) The local government understands that all projects will consist of housing activities that

- benefit low-to-moderate income persons;
  - vii) The local government understands that all projects funded through the Local Housing RLF must meet a CDBG National Objective; and
  - viii) The local government understands that the Department must approve this Local Reuse Plan.
- 4) The Department must approve Local Reuse Plan. If the Local Reuse Plan is not submitted to the Department as stated within the CDBG contract, the Department will require all program income be returned to the State.

At any time, local governments will have the option to discontinue operating the Local Housing RLF or Local Housing Reuse Account and return the program income funds to the Department. The Department will apply the funds to the State RLF.

**All program income received in a Local Housing RLF account never loses its identity as program income and should be reported to the Department.**

## OTHER CDBG PROGRAM INCOME

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Program income generated from other CDBG activities including those under the Community Development Priority, including Comprehensive Development, Comprehensive Revitalization, Comprehensive Investment Stabilization, 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.

## REPORTING PROGRAM INCOME

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

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

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

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

*Note: Local governments, who retain Local ED Program Income, are also required to submit the "Job Creation/Retention Report" to the Department upon the project meeting the National Objective.*

## AP-90 | CDBG Local Program Income

*Per 24 CFR 91.320(k)(iv), the State of Nebraska authorized 132 local units of government to retain program income or establish local revolving fund accounts. Below is a list of local units of government accounts, the estimated amount of funds available to fund eligible projects during the July 1, 2019 - June 30, 2020 program year, the eligible activity types to be carried out with these funds, and the national objective to be met with these funds. More information regarding all local program incomes accounts will be included in future annual action plans.*

Unit of Government		Estimated Amount Available	Activities to be Carried Out	National Objective
<b>1</b>	Allen	\$23,820	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>2</b>	Beatrice	\$254,330	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>3</b>	Blair	\$187,090	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>4</b>	Buffalo County	\$106,646	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>5</b>	Butte	\$100,068	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>6</b>	Chadron	\$21,810	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>7</b>	Dakota City	\$62,690	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>8</b>	Dawes County	\$122,285	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>9</b>	Dodge	\$103,947	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>10</b>	Elk Creek	\$79,967	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>11</b>	Elwood	\$54,846	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>12</b>	Fairbury	\$40,145	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>13</b>	Gering	\$216,525	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>14</b>	Hastings	\$68,762	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>15</b>	Jefferson County	\$242,915	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>16</b>	Kearney County	\$164,897	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>17</b>	Kimball	\$158,770	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>18</b>	Knox County	\$629,217	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>19</b>	Lancaster County	\$406,718	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>20</b>	Madison County	\$8,482	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>21</b>	Nebraska City	\$439,560	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>22</b>	Osceola	\$102,169	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>23</b>	Overton	\$96,540	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>24</b>	Platte County	\$25,005	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>25</b>	Plymouth	\$87,577	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>26</b>	Ralston	\$147,964	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>27</b>	South Sioux City	\$74,664	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>28</b>	Tekamah	\$66,828	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>29</b>	Thurston	\$55,645	Assist a For-Profit Business	Low-to Moderate Income Jobs
<b>30</b>	Wayne	\$367,096	Assist a For-Profit Business	Low-to Moderate Income Jobs

### HOME Program Additional Information

#### HOME PROGRAM INCOME

Program income, which the grantee has received or expects to receive as a result of grant activities, should be utilized and in conformance with the grantee's reuse plan as defined within the grantee's approved Program Guidelines for each HOME project.

In general, the Department continues to provide flexibility for housing organizations to use program income, particularly for projects that are funded through the HOME program. The guidance that the Department has provided in the past, and guidance that continues to be relevant today, is that for HOME program income (i.e. reuse funds) an organization should use their program income for the same activities awarded within the original project, or for other housing related activities, as long as the activities are HOME-eligible activities. This information would be noted within the Grantee's, Department approved, Reuse Plan.

For example, if the Department funds 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 Program Income Requirements within the HOME Application Guidelines.

## GUIDELINES FOR RESALE OR RECAPTURE OF HOME-FUNDED PROJECTS

DED structures these guidelines based on individual program design and market conditions.

### USE OF RESALE PROVISIONS FOR HOME-FUNDED PROJECTS

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 the housing unit 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. 65% 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/2018/> 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 estimates 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 \$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 the 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 prorated 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,

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

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

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

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NEBRASKA BALANCE OF STATE CONTINUUM OF CARE  
WRITTEN STANDARDS

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Emergency Solutions Grant and Continuum of Care Service Delivery  
August 2018

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## INTRODUCTION

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### Purpose:

The U.S. Department of Housing and Urban Development Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) was signed into law on May 20, 2009. The HEARTH Act reauthorized the McKinney-Vento Homeless Assistance Act of 1987. The overall goal is to make homelessness a rare, brief, and non-recurring by reducing the duration of time people spend homeless and reducing recidivism back into homelessness.

The Continuum of Care Interim Rule was published on July 31, 2012 and took effect on August 30, 2012. The purpose of the regulation is to:

- Return households who experience homelessness to permanent housing in less than 30 days;
- Consolidate the Supportive Housing Program, Shelter Plus Care Program, and the Section 8 Moderate Rehabilitation Program;
- Promote a community wide commitment to the goal of ending homelessness;
- Provide Funding to quickly rehouse homeless individuals and families while minimizing trauma and dislocation;
- Promote access to mainstream benefits
- Optimize self-sufficiency;
- Provide funding to support the CoC structure and process; and
- Solidify the CoC structure and process.

The Interim Rule requires CoC's to establish and consistently follow written standards for providing CoC assistance in consultation with recipients of the Emergency Solutions Grant (ESG) Program. Each Emergency Solutions Grant (ESG) and Continuum of Care (CoC) funded service provider shall comply with the minimum written standards established and approved by the Nebraska Balance of State Continuum of Care. Each provider will at the very least comply with the standards established in this document.

### Programs Overview:

#### Emergency Solutions Grant Program (ESG)

The Emergency Solutions Grant Interim Rule broadened existing emergency shelter and homelessness prevention activities, placing greater emphasis on helping individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness by expanding prevention as an eligible use and adding a rapid rehousing component. ESG eligible components are:

- Street Outreach
- Homeless Prevention
- Emergency Shelter
- Rapid Rehousing
- HMIS

The Nebraska Department of Health and Human Services office of the Nebraska Homeless Assistance Program (NHAP) is a recipient of the U.S. Department of Housing and Urban Development Emergency Solutions Grant Program Funds and administers this award to eligible organizations referred to as sub-recipients through a performance based competition.

#### Continuum of Care Program

A Continuum of Care System is a community and regional-based process that provides a comprehensive and coordinated housing and service delivery system. The U.S. Department of Housing and Urban Development (HUD) initiated the Continuum of Care process in 1994. The process promotes a coordinated, strategic planning approach for programs that assist families and individuals who are homeless or at risk of homelessness.

A Continuum of Care System has the goal of stably housing all persons who are homeless or at risk of homelessness in appropriate housing. This means identifying all homeless and at risk of homeless populations in communities, understanding their needs, and building a comprehensive and responsive system which encompasses homeless prevention, outreach, intake and assessment, emergency shelter, transitional programs, supportive housing, permanent housing and all appropriate support services.

The University of Nebraska-Lincoln, Center on Children, Families and the Law (CCFL) has been designated by the Nebraska Balance of State CoC as the Collaborative Applicant.

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## STANDARDS FOR ALL PROGRAM TYPES

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The Nebraska BoS CoC practices a person-centered model that strongly incorporates participant choice and inclusion of subpopulations present in the Nebraska Balance of State including, but not limited to persons experiencing chronic homelessness, veterans, unaccompanied and youth ages 18-24, households with children, and victims of domestic violence or other life-threatening interpersonal violence.

### Fair Housing and Equal Opportunity:

The Continuum of Care (CoC) does not tolerate discrimination on the basis of race, color, national origin, ancestry, religion, age, familial status, veteran status, disability, sex, actual or perceived sexual orientation, gender identity or expression, marital status, source of income, or other reasons prohibited by law.

The CoC and all sub-recipient organizations receiving CoC or Emergency Solutions Grant (ESG) Program funds must comply with applicable equal access and nondiscrimination provisions of federal, state and local civil rights laws. All recipients and sub-recipients of CoC and ESG Program funding must comply with the nondiscrimination and equal opportunity provisions of Federal civil rights laws as specified at 24 CFR.5.105 (a); including but not limited to:

- Fair Housing Act (42 USC 3601-19)
  - Section 504 of the Rehabilitation Act
  - Title VI of the Civil Rights Act
  - Title II of the Americans with Disabilities Act
  - HUD's Equal Access Rule
- **Affirmatively Furthering Fair Housing**

Providers must have non-discrimination policies in place and conduct assertive outreach to people least likely to engage in the homeless system. Organizations receiving CoC Program and ESG Program funding shall market housing and supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or disability; and, shall provide program applicants and participants with information, in writing, on their rights and remedies under applicable federal, state, and local fair housing and civil rights. (80 FR 42271)
  - **Integration and Accessibility**

Housing and supportive services must be offered in an integrated manner, such that persons with disabilities may enjoy a meaningful life within the community. Organizations shall offer housing and supportive services to enable individuals with disabilities to interact with nondisabled persons to the fullest extent possible. (24 CFR 578.93)

- **Reasonable Accommodations and Modifications for Persons with Disabilities**

Organizations are required to provide reasonable accommodations and modifications for persons with disabilities. For federally-funded housing, the recipient is responsible for paying for the modification. Organizations must inform applicants during the intake process of their right to request a reasonable accommodation or modification. A reasonable modification is a structural change, and a reasonable accommodation is change to rules, policies, or services so that a person with a disability has equal opportunity to use and enjoy a dwelling unit or common space. An example of a reasonable modification is installing a grab bar in the bathroom of a person with a disability, while examples of reasonable accommodations include, permitting a person with a disability to have a service animal.

- **Discrimination Based on Actual or Perceived Gender**

HUD's *Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule* (Equal Access Rule) requires that HUD's housing projects be made available to individuals and families without regard to actual or perceived sexual orientation, gender identity, or marital status. The rule defines "gender identity" to mean "actual or perceived gender-related characteristics." The final rule also prohibits owners and administrators of HUD-assisted or HUD-insured housing, approved lenders in an FHA mortgage insurance program, and any other recipients or sub-recipients of HUD funds from inquiring about sexual orientation or gender identity to determine eligibility for HUD-assisted or HUD-insured housing.

There is a limited exception to this rule: Temporary, emergency shelters and other buildings and facilities that are not covered by the Fair Housing Act because they provide short-term, temporary accommodations may provide sex-segregated accommodations, which they sometimes do to protect the privacy and security of individuals when the buildings and facilities have physical limitations or configurations that require shared sleeping quarters or shared bathing facilities. For purposes of this rule, shared sleeping quarters or shared bathing facilities are those that are designed for simultaneous accommodation of multiple individuals in the same space. For example, a single-user bathing facility with a lock on the door is not designated for simultaneous occupancy by multiple individuals, so it is not a "shared bathing facility" for purposes of the Equal Access Rule or this rule. (24 CFR Part 5)

Organizations should ensure that its services do not isolate or segregate victims of domestic violence based upon actual or perceived gender identity.

- **Discrimination Based on Household Composition**

Organizations cannot discriminate against a group of persons presenting as a family based on the composition of the family, the age of any member of the family, the disability status of any members of the family, marital status, actual or perceived sexual orientation, or



gender identity. The people who present together for assistance, regardless of age or relationship, are considered a household and are eligible for assistance as a household.

Projects that serve families with children must serve all types of families with children; if a project targets a specific population, (e.g. homeless veterans), these projects must serve all families with children that are otherwise eligible for assistance, including families with children that are headed by a single adult or consist of multiple adults who reside together.

- **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 (576.102; 578.93(e))

- **Guidance for Placement of Transgender Persons in Single-Sex Emergency Shelters or Other Facilities**

Organizations operating ESG-single-sex emergency shelters (or other ESG- and/or CoC facilities) may not make a determination about services for one participant based on the complaints of another participant when those complaints are based on a participant's gender identity or non-conformity with gender stereotypes. For the purpose of assigning a participant to sex-segregated or sex-specific services, it is a requirement that intake staff and emergency housing providers ask a transgender participant which group or service the participant wishes to join. The organizations must take reasonable steps to address safety and privacy concerns; the organization should provide for privacy in bathrooms and dressing areas. For instance, organizations may install privacy curtains or partitions. When deciding how to house a victim of domestic violence, an organization that provides sex-segregated housing may consider on a case-by-case basis whether a particular housing assignment would ensure the victim's health and safety. A victim's own views with respect to personal safety deserve serious consideration. The organizations should ensure that its services do not isolate or segregate victims of domestic violence based upon actual or perceived gender identity.

- **Prioritized Subpopulations and Fair Housing Implications**

Organizations shall comply with applicable civil rights laws, including the Fair Housing Act. Within this framework, these standards establish subpopulations to be prioritized for housing and services that align with the identified needs of the local community and the goals of the Federal Strategic Plan to End Homelessness. Subpopulations may be prioritized as long as doing so does not discriminate against any protected class under federal nondiscrimination laws (e.g., the housing may be limited to homeless veterans, victims of domestic violence and their children, or chronically homeless households); subpopulations may also be prioritized according to who needs the specialized supportive services that are offered by the project (e.g., substance use disorder treatment, domestic violence services,

or a high intensity package of services designed to meet the needs of hard-to-reach homeless persons).

- **Dedicated versus Prioritized**

Projects and/or beds that are dedicated to serving a specific subpopulation must continue serving only this subpopulation. (For instance, a Permanent Supportive Housing project that is dedicated to serving households experiencing chronic homelessness must continue serving those households). This means that if two otherwise eligible households are seeking admission into the program, one who falls within the designated prioritized subpopulation and one who does not, the household who is in the designated prioritized subpopulation must be given priority for admission.

If there are no persons on a waiting list or applying for entrance to the program who fall within the dedicated or first priority subpopulation, organizations should not hold the unit vacant, but instead should serve the next prioritized subpopulation who may benefit from the services being provided.

- **Fair Housing Implications**

The Local Standards establish priority subpopulations by project type (i.e. Permanent Supportive Housing); organizations may not set more restrictive priorities. For instance, while a Permanent Supportive Housing project may prioritize households experiencing chronic homelessness with a qualifying disability per the Local Standards, beds may not be reserved to persons with a specific disability (i.e. physical disability). If an individual, who is otherwise qualified, but who does not have a physical disability, seeks admission and would benefit from the services offered, this person may not be excluded from the project. Organizations may reserve beds for persons with HIV/AIDS if the housing also receives funding from the Housing Opportunities for People with AIDS program (HOPWA).

#### HMIS Participation:

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 Nebraska 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 Nebraska Balance of State CoC has designated the University of Nebraska-Lincoln as the HMIS lead entity. The HMIS lead entity 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).

#### Participant Inclusion:

Each CoC-funded project is expected to engage participants in ongoing program evaluation and quality improvement processes. Toward that end, at a minimum, each project is required to survey or interview participants at least annually to obtain feedback on program service quality, the housing and service environment, and opportunities for improvement.

Each CoC-funded organization must have the opportunity to have participant representation on a governing or decision-making body.

#### Access to Main Stream 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 (SNAP); 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.

#### 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:

- Emergency shelter providers, essential services providers, homelessness prevention, transitional housing, permanent supportive housing and rapid rehousing assistance providers;
- 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

- 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

#### Participant 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, all amounts (monetary or not) is defined as:

- Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- Which are not specifically excluded in paragraph (c) of 24 CFR 5.609.
- 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.

#### 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 be used to meet matching funding requirements.

### Access to Educational Resources:

All Nebraska Balance of State ESG and CoC providers are responsible for coordinating with local school district(s) in the following way (Subtitle VII-B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.)):

- Helping to identify children and young adults who are eligible for educational services. If a child or young adult does not have a fixed, regular, and adequate place to sleep at night, he or she is eligible. This includes those living in places not meant for human habitation, emergency shelters, transitional housing, motels/hotels, campgrounds, in doubled-up situations, or in housing that lacks utilities, is infested or has other dangerous conditions.
- Helping to ensure that all families with children and young adults who qualify in are informed about their educational rights and their eligibility for educational services and they receive those services.
- Ensuring that the local school districts' homeless liaisons are aware the All Doors Lead Home Coordinated Entry processes for connecting homeless families and young adults to ESG & CoC resources and helping to resolve any issues that might arise in linking eligible households to those resources.
- Helping to ensure that when placing families in emergency, transitional or permanent housing, consideration is given to the educational needs of children, including placing children as close as possible to schools of origin and early childhood education programs.

### 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)

#### Termination of Assistance:

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.

#### 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.

#### 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.

#### 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.

#### Records and 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 and ESG funded projects, acceptable evidence of homeless status as set forth in 24 CFR 576.500(b).



- The order of priority for obtaining evidence of homelessness and/or at risk of homelessness are: 1) third-party documentation, 2) intake worker observations and 3) self-certification.
- 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 coordinated entry assessment or VI-SPDAT 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/CoC (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 o
  - Documentation of the receipt and use of matching funds o
  - Copies of procurement contracts

## Guiding Principles

### Housing First:

All housing providers funded by the CoC shall use the Housing First model as outlined below. Housing First is a programmatic and systems approach that prioritizes providing housing to people experiencing homelessness quickly without preconditions or service participation requirements, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.

This approach is guided by the belief that people need basic necessities, like food and a place to live, before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues.

### Core Elements of Housing First at the Project Level

- Access to projects is not contingent on sobriety, minimum income requirements, lack of a criminal record (including status on the sex offender registry), completion of treatment, participation in services, status or other unnecessary conditions.
- Projects do everything possible not to reject a household on the basis of poor credit or financial history, poor or lack of rental history, minor criminal convictions, or behaviors that are interpreted as indicating a lack of “housing readiness.”
- People with disabilities are offered clear opportunities to request reasonable accommodations within application and screening processes and during tenancy, and building and apartment units include special physical features that accommodate disabilities.

- Housing and service goals and plans are highly tenant-driven.
- Participation in services is voluntary and not a condition of tenancy, but can and should be used to persistently engage participants to ensure housing stability.
- Services are informed by a harm-reduction philosophy that recognizes that drug and alcohol use and addiction are a part of some tenants' lives. Tenants are engaged in non-judgmental communication regarding drug and alcohol use and are offered education regarding how to avoid risky behaviors and engage in safer practices.
- Substance use in and of itself, without other lease violations, is not considered a reason for eviction.
- Tenants in supportive housing are given reasonable flexibility in paying their share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management, including representative payee arrangements.
- Every effort is made to provide a tenant the opportunity to transfer from one housing situation or project to another if a tenancy is in jeopardy. Whenever possible, eviction back into homelessness is avoided.
- Projects that cannot serve a household work through the coordinated entry process to ensure that the household has access to other housing and services such as: prevention assistance, homeless dedicated housing and services, and community-based affordable housing

#### Person- Centered:

A trauma-informed approach that is dignified, safe, and incorporates participant choice is utilized.

- Assistance is allocated effectively and households are linked to the most appropriate intervention strategy
- Reduction in number of households experiencing homelessness
- Reduced length of time a households experiences homelessness
- Reduced returns to homelessness (recidivism)

#### Strength-Based:

An asset-based approach that focuses on the inherent strengths of participants, and deploys these personal strengths to aid in the achievements of the participants' goals. Specifically:

- Every individual, group, family, and community has strengths.
- Trauma, illness, and struggle may be injurious but they may also be sources of challenge and opportunity.
- There is no limit to a person's growth, achievement, or success.
- We best serve participants by collaborating with them.
- Every environment is full of resources.

#### Coordinated Entry:

The All Doors Lead Home Coordinated Entry system was created by the BOS and Lincoln Continuum of Care (CoC) to effectively provide for and meet the requirements of the coordinated entry system for the most vulnerable homeless population in the BOS and Lincoln CoC that would be best served in Permanent Supportive Housing (PSH), Rapid Rehousing (RRH) and Transitional Housing (TH) following a housing first model, in accordance with HUD's requirements (24 CFR Part 578, 24 CFR 576.400(d)). All CoC and ESG providers are required to use the established and approved All Doors Lead Home Coordinated Entry System to select individuals and/or families with the highest priority for their programming.

For further details on established Coordinated Entry protocols and procedures, see All Doors Lead Home Coordinated Entry Operations Manual.

## HOMELESS ASSISTANCE SERVICES AVAILABLE

ELIGIBILITY BY COMPONENT				
COMPONENT**	FUNDING	HOMELESS STATUS CATEGORY*	TARGET POPULATION	INCOME
HOMELESSNESS PREVENTION	ESG	At-risk: 1,2,3 Homeless: 2,4	See "ESG Homeless Prevention" Section for further eligibility criteria	Must have income below 30% of Area Median Income at intake and do not exceed 30%AMI at re-evaluation which must take place not less than once every 3 months.
EMERGENCY SHELTER	ESG	1,2,4	N/A	N/A
TRANSITIONAL HOUSING	CoC	1,4	1. Youth age 18-24; 2. Households fleeing Domestic Violence; 3. Households in recovery from substance use disorder	N/A
RAPID REHOUSING	ESG, CoC	1,4	1. VI-SPDAT Score 5-9 2. Households with the longest history of homelessness	ESG- Annual income must be less than or equal to 30% of Area Median Income at re-evaluation. There is no income requirement for CoC
PERMANENT SUPPORTIVE HOUSING***	CoC	1,4	Dedicated or Prioritized to households experiencing chronic homelessness, as defined by HUD.	

## Homeless Prevention Standards

### Participant Eligibility:

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)

## Street Outreach Standards

### Participant Eligibility:

People who 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

### Service Provision:

Often time’s street outreach workers are the initial point of contact, and have the ability to maintain contact throughout the process, as well as connect individuals and families with mainstream resources and community based services as needed.

- Educated and trained on the process of Coordinated Entry and how to perform the initial standardized assessment and make referrals.

- Maintain contact and open communication regarding housing status and resources being utilized.
- Provide assistance to those unsheltered who may be in need of additional supports.

### Emergency Shelter Standards

#### Participant Eligibility:

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 (not allowable: mortgage and mortgage arrearage payments); health, mental health and substance abuse services; transportation.

#### 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 evaluation to determine the eligibility of each individual or family's eligibility for ESG assistance and the amount and types of assistance the individual or family needs to regain stability in permanent housing.
- The following Emergency Shelter services, as needed and appropriate can be provided: case management, Child care, Education services, Employment assistance and job training, Outpatient health services. Legal services, Life skills training, Mental health services, Substance abuse treatment services, Transportation and services for special populations.
- Prioritization/Diversion/Referral: 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 maintain or obtain safe, permanent housing shall be prioritized for individuals who are literally homeless. Referrals to Transitional Housing shall be made for individuals who either meet special populations (TAY, Individuals fleeing domestic violence, institutional re-entry and substance abuse recovery housing) or other populations for which transitional housing meets the needs of the homeless individual.
- 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

### Transitional Housing Standards

#### Participant Eligibility:

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.

#### 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)

### Rapid Rehousing Standards

#### Participant Eligibility:

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, unless except from this requirement per HUD's policy priority of using a Housing First approach or Violence against Women Act (VAWA) regulations (NOT ALLOWABLE: Mortgage and mortgage arrearage payments.)

#### Prioritization:

All Doors Lead Home Coordinated Entry Prioritization Formula:

1. Chronic Status (after Documented up) – 10 points
2. VI SPDAT score (which captures service need, history, vulnerability, etc.)
3. Fleeing Domestic Violence – 1 point
4. Veteran – 1 point
5. TAY – 1 point
6. 0-3 months homeless – 0 points
7. 4-6 months – 2 points
8. 7-9 months – 4 points
9. 10-12 months – 6 points

#### 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 initial rental assistance shall be granted per the individual service provider's written policy and protocols. Providers must re-assess the continuing need for rental assistance not less than once every 3 months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance. 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.
- In no event will assistance under rapid rehousing or homelessness prevention exceed 24 months in any 36 month period.

#### Service Type, Amount, and 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, except for a one-time payment of rental arrears on the tenant's portion of the rental payment or deposit for subsidized housing.
  - 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, citizenship or mortgage related 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 for 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.

### Permanent Supportive Housing Standards

#### Participant Eligibility:

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.

#### Order of Priority for Permanent Supportive Housing:

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.

- The CoC shall prioritize those experiencing chronic homelessness based on the length in time in which an individual or family has resided in a place not meant for human habitation, a safe haven, or an emergency shelter and the severity of the individuals or families service needs;
- Where there are no chronically homeless individuals and families within the CoC's geographic area are encouraged to follow the order of priority under 'Order of Priority in permanent supportive housing beds not dedicated or prioritized for persons experiencing chronic homelessness';
- Recipients of CoC Program-Funded PSH beds should also consider the goals and any identified target populations served by the project.
- Recipients must also practice due diligence when conducting outreach and assessment to ensure that chronically homeless individuals and families are prioritized for assistance

based on their total length of time homeless and/or the severity of their needs. CoC Program-funded PSH providers are not required to allow units to remain vacant indefinitely while waiting for an identified chronically homeless person to accept an offer of PSH. Chronically homeless persons shall continue to be prioritized for PSH until they are housed.

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 with a long period of continuous or episodic homelessness.
- Second priority: homeless individuals and families with a disability and the most severe service needs.
- 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.

#### 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



State of Nebraska  
National Housing Trust Fund (HTF)  
Allocation Plan 2019

June 2019

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## 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 received \$3 million, for the Fiscal Year (federal) 2017, Nebraska received \$3 million, and for the Fiscal Year (federal) 2018, Nebraska received \$3 million, for the Fiscal Year (federal) 2019, Nebraska will receive \$3 million. In 2019, prior year resources total \$1,830,195, which will be made available to utilize.

### 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 2019. Prior year resources are \$1,830,195, for a total of \$4,830,195 that will be made available. 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 up to 10% of its grant (\$300,000) for program planning and administration expenses. The remainder of resources (\$4,530,195) 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 2019 HTF Allocation Amount: \$3,000,000

Prior year resources: \$1,830,195

Total Available in Program Year 2019: \$4,830,195

Distribution to applicants: \$630,195 - LIHTC 9% Set-Aside; Targeted Needs Set-Aside - \$1,400,000; Permanent Housing Set-Aside - \$2,500,000

State Administration: \$300,000

## 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 2019 resources, and \$1,830,195 in prior year resources, for a total of \$4,830,195.**

- 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 make available to utilize approximately \$4,530,195 in HTF resources for activities that may include: rehabilitation (including acquisition); preservation; new construction; operating assistance, and operating assistance reserves. 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.**

#### **2015 - 2019 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.

#### **2015 – 2019 Strategic Plan Screens to Revise**

The following screens in the eCon Planning Suite strategic plan template in IDIS were revised to include HTF.

- **SP-05 Strategic Plan Overview:** Revised this screen to include HTF as one of the Federal funds of which the performance indicators may increase or decrease depending on the annual allocation to the State.
- **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-40 Institutional Delivery Structure:** § 91.315(k) – revised this screen to include reference that for HTF info and complete narrative see appendix.
- **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.

### 2019 Annual Action Plan Screens to Revise

The following screens in the eCon Planning Suite consolidated plan template in IDIS were revised to include HTF.

- **PR-05 Lead & Responsible Agencies** – revised to add HTF-related information
- **AP-10: Consultation** – revised to add HTF information
- **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; and public housing authorities that receive HTF assistance from the State as an owner or developer to carry out an HTF assisted project. In addition, to be eligible for HTF assistance, a recipient must:

- 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 the Nebraska Investment Finance Authority (NIFA) through the joint DED/NIFA application for low income housing tax credit applications within the Low Income Housing Tax Credit (LIHTC) 9% application cycles. This allocation will be referred as the "LIHTC 9% Set Aside."

The amount available to multi-family projects in LIHTC 9% will be **\$630,195: \$500,000 of 2019 allocation and prior year resources of \$130,195.**

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 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”.

The amount available for a HTF Targeted Needs project will be **\$1,400,000: \$700,000 of 2019 allocation and prior year resources of \$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.”

The amount available for permanent housing will be \$2,500,000 and include:  
**\$1,000,000: \$500,000 from 2019 allocation and prior year resources of \$500,000** within the Omaha Continuum of Care;  
**\$1,000,000: \$500,000 from 2019 allocation and prior year resources of \$500,000** within the Lincoln Continuum of Care; and  
**\$500,000 from 2019 allocation** 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 2019 HTF resources and \$1,830,195 in prior year resources, with \$300,000 to be used by the State for planning and administration, for a total of \$4,830,195. There is no maximum grant limit within the set amount per set-aside.

**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% of the HTF funds will benefit extremely low income (ELI) households for rental housing and up to 10% 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  X  No

##### **2. Will the State require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements?**

Yes  X  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.

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.

### **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:

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.

### **Application Process, Selection Criteria, and Scoring: The Seven Criteria of Equal Consideration**

(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.

#### **LIHTC 9% Set Aside**

For HTF applicants applying within the LIHTC 9% Set Aside, the entire state is the eligible area. The joint DED/NIFA application cycle for LIHTC 9% 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.

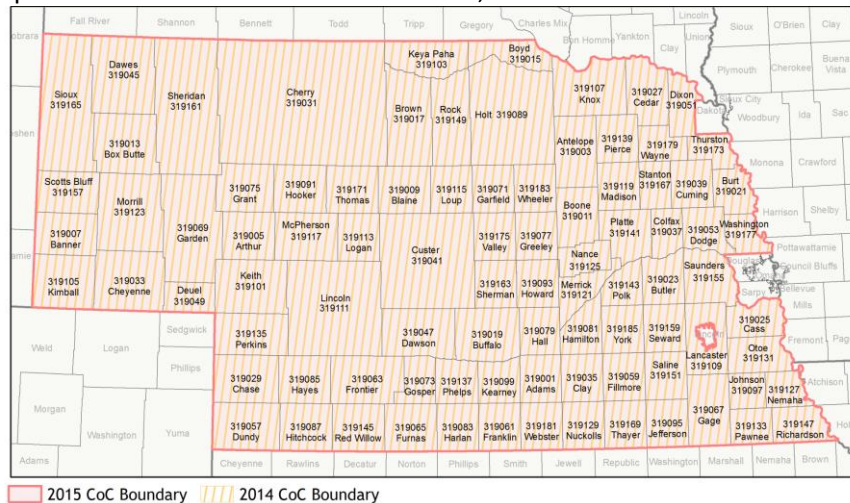
#### **Targeted Needs Set Aside**

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, located 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. Describe the collaboration with the partners involved in the project, pre-development and post-award and how they assist in timely completion of the organization's proposed HTF project.

**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

Property Portfolio – Describe the applicant's portfolio of projects/properties that evidence competent management and oversight. Describe how the properties and the applicant's development have adequate funding. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Management Capacity – Describe how the current management has the ability to manage additional development activities. If the applicant is not managing the property, please provide the management company and answer these questions for the management company.

Project Management – Describe the procedures in place for monitoring the progress of 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?

Describe the local need and how the need was determined for the proposed HTF project and how it provides a solution to the immediate housing needs of the area being served.

Describe how the proposed project impacts the community.

**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.

Describe the overall project financing for the proposed HTF project. Be sure to include a description of all resources into the project; these may include, but not be limited to: other grant resources (including rental assistance), matching funds, leverage funds, and in-kind funds.

### 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 2019 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 2019, the third 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 up to 240%. This maximum subsidy is consistent with HUD guidance including information within CPD Notice 15-03 and HOME Fires Vol. 12 No 1.

The current HOME subsidy limits include:

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Base</b>		\$ 61,281.00	\$ 70,250.00	\$ 85,424.00	\$ 110,512.00	\$ 121,307.00
<b>Des Moines MSA</b> Guthrie, Dallas, Polk, Madison and Warren Counties	240%	\$ 147,074.40	\$ 168,600.00	\$ 205,017.60	\$ 265,228.80	\$ 291,136.80
<b>Omaha MSA</b> Saunders, Washington, Douglas, Sarpy and Cass Counties in Nebraska Harrison, Pottawattamie and Mills Counties in Iowa	236%	\$ 144,623.16	\$ 165,790.00	\$ 201,600.64	\$ 260,808.32	\$ 286,284.52
<b>All other PJs/Counties</b>	225%	\$ 137,882.25	\$ 158,062.50	\$ 192,204.00	\$ 248,652.00	\$ 272,940.75

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.

	Wayne Crown II	Skyline Apartments	Horizon Estates	Eastbrooke Gardens
Location	Wayne	Norfolk	Holdrege	Kearney
Total Cost	\$2,955,514	\$14,068,822	\$3,745,435	\$6,805,958
Number of Units	15	92	20	32
<b>Total Cost Per Unit</b>	<b>\$197,034.27</b>	<b>\$152,921.98</b>	<b>\$187,271.75</b>	<b>\$212,686.19</b>
Unit Description	12 3-Bedroom units; 3 3-Bedroom market rate units	17 SRO units; 75 1-Bedroom units	20 3-Bedroom units	28 3-Bedroom units; 4 4-Bedroom units

Subsidy limits evidence continued:

	Ashland Affordable Housing	Eagle Heights	Garage Lofts	Belle Plaine Apartments
Location	Ashland	Omaha	Omaha	Bellevue
Total Cost	\$2,340,835	\$7,837,140	\$4,703,688	\$12,188,457
Number of Units	12	44	30	75
<b>Total Cost Per Unit</b>	<b>\$195,069.58</b>	<b>\$178,116.82</b>	<b>\$156,789.60</b>	<b>\$162,512.76</b>
Unit Description	9 4-Bedroom units; 3 4-Bedroom market rate units	12 SRO units; 13 1-Bedroom units; 14 2-Bedroom units; 5 3-Bedroom units	18 3-Bedroom units; 12 4-Bedroom units	30 3-Bedroom units; 30 4-Bedroom units; 8 3-Bedroom market rate units; 7 4-Bedroom market rate 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.

X 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.***

X 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 LIHTC 9% cycles, a portion of HTF resources will be utilized. There are two cycles within LIHTC 9%. The annual cycle is a competitive cycle for applicants throughout the State of Nebraska. The CRANE cycle gives preference 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 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.

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 2019 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](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:
  - 3. <https://www.fema.gov/fema-p-320-taking-shelter-storm-building-safe-room-your-home-or-small-business> and <https://www.fema.gov/media-library/assets/documents/3140>

## **IX. BIDDING AND PROJECT MANAGEMENT**

- A.** All projects will be bid in accordance with procurement provisions of federal law found at 2 CFR §§200.318 through 200.326 and State Law which applies to all NDED HTF-funded projects. Grantees and developers will submit a project management plan with their application which will outline how the project will be managed (e.g. General Contractor (GC) bid project, Construction Management (CM) project or other project management plan). Any changes to project management operational structure which substantially varies from the plan provided to NDED at the time the HTF funding is awarded requires prior notification to NDED HTF staff.

## **X. PROJECT ARCHITECTURAL REHABILITATION DESIGN STANDARDS**

### **A. BUILDING OCCUPANCY & CONSTRUCTION TYPE**

- 1. Fire resistance rating separation requirements per code
- 2. Shall comply with NFPA 1 and NFPA 101, Chapters 8 & 43

### **B. HISTORIC BUILDINGS**

- 1. Shall comply with NFPA 101, Chapter 43.10.4
- 2. Shall comply with IBC, Chapter 3409

- C.** Historic buildings shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings and with consultation of the Nebraska State Historic Preservation Office (SHPO).

### **D. ACCESSIBILITY REQUIREMENTS**

- 1. Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.
- 2. General Requirements:
  - a. Projects shall meet applicable Federal and State Regulations and Rules
  - b. The number of accessible apartment units shall be determined by the code requirements
  - c. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts

- 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable
- d. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205 and that the Fair Housing Act Amendments of 1988 (as amended) with consideration being given to the accessibility/adaptability of units to handicapped occupancy.
  - e. Rehabilitation of existing buildings constructed and first occupied prior to March 13, 1991, that may be exempt from the Architectural Guidelines adopted in the Fair Housing Act Amendments of 1988 will ensure compliance with applicable federal, state, and local building codes and will include compliance with applicable Section 504 requirements.
3. Projects shall comply with other standards as may apply or be required by funding sources (i.e. USDA Rural Development)
  4. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8
    - a. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
      - i. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS)
      - ii. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
      - iii. Common spaces must be made accessible to the greatest extent feasible
    - b. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.
  5. Projects, if applicable, shall comply with all Accessibility/Adaptable Dwelling requirements of the Fair Housing Act of 1988; applicable Uniform Federal Accessibility Standards (UFAS); and any applicable requirements of ANSI A117. These may include, but are not limited to:
    - a. The structures shall all be on an accessible route, in and through the Unit;
    - b. A proper number of units will be fully accessible and may target Special Needs households which may include the 5% minimum requirement per UFAS and ADA;
    - c. Units will have ADA Thresholds on all front Doors;
    - d. Units will have a removable Front and Panel on the Kitchen Sink;
    - e. Units will have reinforcement for future grab bars in all bathrooms, tubs, and showers;
    - f. Units will have Convenience receptacles, Switches, and controls mounted between 15" and 48" to the usable part of the device;
    - g. Units shall have 36" wide doors;
    - h. Units shall have ADA Lever handles on all hardware;
    - i. Units shall have the required floor space requirements for ranges, sinks, water closets, and lavatories;
    - j. Door swings will have 18" clearance beside the Latch side of the door, if the door swings into the direction of travel.

**E. BUILDING DESIGN**

1. The project developers are encouraged to draft an architectural program document outlining the goals for the project.
2. Building access – in general the access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
3. Means of egress components shall be in conformance with Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
4. Apartment layout:
  - a. Room sizes –minimum in accordance with IBC 1208 and/or local codes.
  - b. Interior environment shall comply with Chapter 12 of the IBC.
  - c. Kitchens – in general, for apartment buildings – each unit will have a functional and code-compliant kitchen
    - i. SRO's and other special housing types may be an exception
  - d. Baths – in general, for apartment buildings – each unit will have a functional and code compliant bath in accordance with IBC 1210
    - i. SRO's and other special housing types may be an exception
5. Storage – adequate clothes closets, pantry and general storage shall be provided.
6. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.
7. Solid Waste Disposal – provision shall be made to enable the tenants and property management staff to handle and store solid waste in compliance with current State and Federal regulations.
8. Existing outbuildings and utility structures which are being retained, shall be in sound and serviceable condition, and not create health, safety, or undue maintenance issues for the project.



## **XI. REHABILITATION CONSTRUCTION STANDARDS**

### **A. SITE**

1. General:
  - a. Assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
  - b. Site design and engineering shall be by a licensed professional civil engineer, or other qualified professional.
  - c. Design and systems shall conform to all applicable codes, rules and regulations:
    - i. Local and municipal zoning
    - ii. Local and State Fire and Building Codes, current adopted addition
    - iii. Nebraska State Fire Code Regulations, Title, 153
    - iv. NFPA Codes as they may apply
  - d. Permits - Any and all permits, bonds or licenses required for the execution of the work specified by the Work Write-Up shall be obtained and paid for by the Contractor prior to the start of that work. Contractors and subcontractors will be responsible for obtaining any progress or final inspections from the local jurisdiction's building departments. Failure to call for the required inspections or proceeding without inspection, such as covering work without approval and deviating from approved plans and specs, may result in violations that could include no payment. Upon project completion, each unit must be decent, safe, sanitary, and in good repair.
2. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
3. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion.
4. Sewer connections to municipal sewage systems and on-site sewage disposal:
  - a. Existing sewer laterals that are to be reused should be evaluated to assure that they are serviceable and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New systems designed to conform to the State "Wastewater System & Potable Water Supply Rules" (WW permit) regulations.
5. Water service:
  - a. Existing municipal water supplies to buildings shall be evaluated to assure that they are serviceable, of adequate capacity and have a remaining useful life of 30 years, or are covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Required new systems shall be designed to conform to the State "Wastewater System & Potable Water Supply Rules" (WW permit) regulations, and the American Waterworks Association (AWWA) guidelines.
6. Vehicular access to public way – site design shall conform to local zoning and transportation regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
7. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize Institute of Transportation Engineers (ITE) guidelines in the design.
8. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.
9. Site amenities – site amenities may be provided which enhance the livability of the project

including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.

10. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
11. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense.
  - a. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
12. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
13. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
14. Fuel Storage – Onsite outdoor placement and storage of fuels per applicable regulations and utility requirements.
15. Underground or overhead utilities – as regulated by code and utility rules.

## **B. FOUNDATIONS**

1. Existing foundations shall be examined by qualified professionals
  - a. Foundations to be adequately sized, free of broken components or deterioration which may compromise the load bearing structural integrity.
  - b. Design and implement structural reinforcements or reconstruction as necessary.
2. Above-grade masonry unit block or brick shall be reasonably stable, plumb and sound with no missing units or voids.
3. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly.
4. New below-grade structures to conform to Chapter 18 of IBC as appropriate.
5. Basement floors:
  - a. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
  - b. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
  - c. Dead spaces
    - i. provide concrete rat slabs,
    - ii. where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
6. Moisture mitigation
  - a. Water and dampproofing – where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings, provide waterproofing or damp proofing as appropriate.
  - b. Provide vapor barriers covered with a wear layer of pea-stone over earthen basement or crawl space floors to remain.
  - c. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

### C. MASONRY COMPONENTS

1. Buildings with masonry bearing walls shall be examined for their structural integrity. Existing masonry building components shall be examined to assure sound condition, and repaired as necessary to provide the load-bearing capacity, resistance to water penetration, and aesthetic quality to assure the assemblies will perform for the purpose intended.
  - a. Masonry shall be plumb, and structurally sound.
2. Repair or replace deteriorated portions or missing units.
  - a. Brick veneer shall be sound, or repaired to be sound.
3. Masonry mortar joints shall be sound, and free of loose or deteriorated mortar, with no voids.
  - a. Pointing of mortar joints shall be specified as necessary to assure the continued integrity of the structural assembly, and prevent water intrusion.
4. Historic masonry designated to remain shall be restored to sound serviceable condition, and in accordance with Section 106 of National Historic Preservation Act.
  - a. Where masonry is considered historic, repairs will be carried out utilizing the Secretary of the Interior's "Standards of Rehabilitation" and related NPS Preservation Briefs for "Repointing Mortar Joints on Historic Masonry Buildings"
5. Chimneys
  - a. Assure structural integrity, reconstruct, and point as necessary
  - b. If used for fuel heating appliances – provide lining as may be required by code and as prescribed by the heating appliance manufacturer.

### D. STRUCTURE

1. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
2. In general, structure evaluation and design shall be in conformance with International Building Code requirements.
  - a. In most residential rehab projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards.
  - b. Consideration shall be given if there are any proposed changes in use which would impact the historical loading.
3. Deficiencies identified shall be addressed and repairs designed and specified as necessary to correct such conditions:
  - a. Repairs shall be made to any deteriorated load-bearing structural elements.
  - b. Reinforce, install supplemental or replace structural members determined not to be adequate for use.

### E. ENCLOSURE - SHELL

1. Roofing
  - a. Existing
    - i. Examine existing roofing and flashing systems to determine suitability for continued use. Continued life expectancy of existing roofing should be a minimum of 30 years, or covered by the 20-year Capital Plan and/or subsequent 5-year updates during the 30-year affordability period.
    - ii. Repair existing roofing as required.
    - iii. Existing historical slate roofs shall be repaired in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements if applicable.
  - b. New Roofing
    - i. New roofing shall be installed where existing roofing does not meet requirements for continued use.
    - ii. New roofing system components shall be compatible, and include - the nail base, the underlayment layer, ice & water shield self-adhesive membrane flashings, metal

- flashings and roofing.
  - Strip existing roofing and dispose of properly.
  - Examine exposed existing substrate for structural soundness
  - Install new roofing system per code and per NCRA trade practices, and manufacturer specifications.
  - Flashings – deteriorated flashings shall be replaced, and the weather proof integrity of the roof system shall be assured.
- c. Ventilation
  - i. Roof assemblies shall be properly ventilated in accordance with applicable code requirements, and appropriate building science detailing.
- 2. Exterior Finishes
  - a. Cladding
    - i. Wood Siding –
      - Examine existing siding for soundness – shall be free of major cracks, rot, and other deterioration which may compromise its useful life and be suitable to hold exterior paint.
      - Siding shall be free of gaps and holes and provide continuous weatherproof system.
      - Repair or re-side as necessary to provide a weather resistant enclosure.
      - Replace existing wood siding on historic buildings as necessary in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - ii. Masonry
      - Masonry bearing walls and veneers shall be restored as necessary
        - 1. Refer to Section XI. C. – Masonry
        - 2. Refer also to Section XI F.2.b – Enclosure Thermal for insulation requirements
        - 3. All work on historic masonry shall be done in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
    - iii. Other existing cladding system types and materials shall be repaired and/or restored in-kind with matching or similar materials to provide a durable weather resistant enclosure.
- 3. Trim – Exterior trim and architectural woodwork.
  - a. Existing wood trim:
    - i. Existing trim to remain must be sound, free of defects and deterioration which compromises its use.
    - ii. Repair and restore trim to usable condition. Patch or replace in kind any deteriorated wood trim components.
    - iii. Repair of historic woodwork and trims shall be in accordance with the Secretary of the Interior’s “Standards for Rehabilitation” project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to Architectural Woodwork Institute (AWI) standards.
  - c. Other trim materials (PVC, cementitious, etc.) which are suitable may be used as appropriate and shall be installed per manufacturer’s recommendations.
  - d. Trim which is part of the weather tight enclosure shall be flashed or caulked with joint sealers as necessary to prevent water intrusion.
- 4. Paint
  - a. In general, all existing exterior wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint and/or the sound condition of existing coatings.
  - b. Examine surfaces and apply paint only to sound acceptable materials / surfaces.
    - i. Prepare surfaces properly, removing loose or peeling previous paint.
    - ii. Paint prep shall be done in accordance with applicable lead safe standards. (See also Section XI N.1.b-Special Construction)

- c. Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
- d. Exterior paint systems shall be compatible, and installed in accordance with manufacturers' specifications.
- 5. Porches, decks and steps
  - i. Existing porches, decks, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - ii. Inspect structure for soundness and reconstruct any deteriorated members as required.
  - iii. Install new support piers as may be required.
  - iv. Patch existing decking with matching materials, or install new durable decking.
  - a. Railings
    - v. shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate.
    - vi. Shall meet code requirements for height of protective guards, or have supplemental guards installed.
  - b. Steps shall be safe and sound and meet applicable codes, with railings as necessary.
  - c. Historic porches designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - d. All porch elements shall be able to withstand the weather elements to prevent premature deterioration.

#### **F. ENCLOSURE – THERMAL**

- 1. Energy Efficiency - In general, most buildings will be rehabbed with a goal of increasing the thermal shell efficiency.
  - a. All NDED HTF-funded projects shall be subject to the 2009 International Energy Conservation Code and guidance on energy efficiency as found within the NDED Minimum Standards for Rehabilitation. All projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
  - b. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
- 2. Insulation
  - a. Insulation levels shall conform to the NDED's Minimum Standards for Rehabilitation.
  - b. Masonry walls shall be insulated utilizing current building science detailing to ensure ongoing integrity of masonry systems.
- 3. Air sealing – comply with the NDED's Minimum Standards for Rehabilitation.
  - a. Attention must be paid to the air barrier of each building and should be well thought out, detailed, and carefully executed.
  - b. Blower door testing shall be performed to verify compliance and successful execution.
- 4. Indoor air quality
  - a. In general, all thermal upgrades to a building will take into consideration indoor air quality and moisture control/mitigation, and apply the current state of the art building science in this regard. Treatment of existing stone, concrete or masonry basement walls, and of existing basement earthen floors or uninsulated basement slabs will be taken into consideration with regard to the need for moisture mitigation.

## 5. Ventilation

- a. Venting of crawl spaces, attics and sloped ceilings shall be per code.
- b. See Section XI E.1.c for roof assembly ventilation.

## G. ACOUSTICAL TREATMENTS

- 1. Dwelling units separated acoustically using Chapter 1207 of IBC as a guideline minimum standard.

## H. DOORS

### 1. General

- a. Doors to meet code requirements of NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2
- b. Meet egress requirements for dimensions, swing and clearances, and be accessibility compliant as required.
- c. Be sound and secure.
- d. New doors shall be installed per manufacturers' recommendations and standard trade practice standards.
- e. Flash properly, and have shim spaces insulated.
- f. Existing doors to remain should be examined and determined to be suitable for reuse with a remaining life after restoration of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - i. Restore as required to provide useful life.
  - ii. Shall be tested and modified as necessary to operate properly.
  - iii. Install new weather stripping and sweeps to provide seal against weather elements and air infiltration.
  - iv. Historic doors designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.

### 2. Apartment doors

- a. Apartment unit entry doors shall be fire rated as required.

### 3. Other doors – Access doors shall meet code requirements for fire rating.

### 4. Door hardware shall operate properly, be secure and shall meet accessibility standards and NFPA 101, Chapters 7.2, 8.3, 30.3.6.2 & 30.2.2.2.

## I. WINDOWS

### 1. Windows shall be of legal egress size when required by code

### 2. Existing windows:

- a. Existing windows to remain should be examined and determined to be suitable for reuse with a reasonable remaining life after restoration of 30 years without undue future maintenance, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
- b. Capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
- c. Install new weather stripping to provide seal against weather elements and air infiltration.
- d. Air seal shim spaces and window weight pockets if possible.
- e. Restore and modify as required to provide useful life.
- f. Shall be tested and modified as necessary to operate smoothly and properly per code.
- g. Historic windows designated to remain shall be restored to sound serviceable condition, and in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
- h. Hardware shall be intact and operational, or be replaced with new hardware as required.

### 3. New Windows:

- a. Where existing windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
- b. New windows shall be code compliant, and conform with NDED's Minimum Standards for Rehabilitation. Developers are encouraged to consider upgrading to greater energy efficient windows by providing R-5 windows.
- c. Additionally, new window units should be tested assemblies meeting ASTM standards for water penetration & air leakage.
- d. All windows shall be installed per manufacturer's installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.

#### **J. INTERIOR FINISHES**

- 1. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade.
- 2. Per chapter 10 of NFPA 101 (Reference also Chapter 8 of the IBC).
- 3. Walls & ceilings
  - a. Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Where existing finishes are proposed to remain as part of a fire rated assembly, the State DPS shall assist in making a determination as to the suitability. Refer to codes as they pertain to archaic materials, and relevant NPS Preservation Briefs.
- 4. Flooring
  - a. Existing wood flooring in good condition should be repaired, sanded and refinished.
  - b. All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
- 5. Trim - Wood trim and architectural woodwork
  - a. Existing trim shall be repaired and restored to usable condition, free of deterioration which compromises its use. Repair of historic woodwork & trims shall be in accordance with the Secretary of the Interior's "Standards for Rehabilitation" project requirements.
  - b. New wood trim shall be installed in a workmanlike manner. Reference may be made to AWI standards.
- 6. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner (See also Section XI N.1.b-Special Construction).

**K. SPECIALTIES**

1. Toilet accessories – each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements where necessary.
2. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
3. Signage and identification – building signage shall be provided as appropriate:
  - a. Including building address 911 #'s, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant and 911 approved.
4. Exit signage will be provided as required by code and be accessibility compliant as required.
5. Fire protection specialties – provide fire extinguishers in buildings, and in apartments as required by code and/or by state or local fire authorities. Locate as directed by authorities.
6. Shelving – provide durable, cleanable shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.

**L. EQUIPMENT**

1. All new equipment to be Energy Star® rated.
2. Existing equipment to be retained and continued to be used shall be in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
3. Equipment shall conform to the NDED's Minimum Standards for Rehabilitation.
4. Kitchen appliances –
  - a. provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
  - b. Existing appliances to be reused shall be in good and serviceable condition.
  - c. Provide other appliances (such as microwaves) as may be appropriate to the project.
  - d. All appliances in accessible apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
5. Laundries –where adequate space is available and when appropriate to meet the project goals, washers and dryers may be provided in laundry rooms or in apartments.
  - a. Heat pump dryers are encouraged where appropriate and readily available.
  - b. Where a project is served by natural gas, consideration of the use of natural gas dryers is encouraged. In projects not served by natural gas, propane fired dryers should be considered for cost of operation reasons where feasible and appropriate.
6. Solid waste handling-As appropriate, provide trash and recycling receptacles as appropriate to enable the tenants and property management staff to handle and store solid waste in order to utilize appropriate recycling practices, when feasible.
7. Playground equipment – Provide safe, code-approved new playground equipment if a playground is appropriate.

**M. FURNISHINGS - CASEWORK**

1. Kitchen cabinetry and counters
  - a. Existing cabinetry and/or countertops proposed to remain shall be in good condition with a remaining useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. New cabinetry
    - i. Shall be of good quality, meeting ANSI/KCMA A161.1-2012 "Performance & Construction Standards for Kitchen Cabinetry and Bath Vanities" standards. Other industry standards for cabinetry may be used as guidelines, such as the Kitchen Cabinet Manufacturer's Association (KCMA) "Severe Use Specification – 2014," the Architectural Woodwork Institute's (AWI) Woodwork Standards and Cabinet Fabrication Handbook.



- ii. New counters shall be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
    - Shop fabricated as one-piece assembly where possible. Seal field joints.
    - Installed level and securely fastened to cabinetry.
- 2. Bath cabinetry and counters – vanity lavatory tops, when used, should be one-piece integral bowl with integral backsplash.

#### **N. SPECIAL CONSTRUCTION**

1. Hazardous materials and remediation – see NDED’s Minimum Standards for Rehabilitation:
  - a. Asbestos – project will be assessed for the existence of asbestos-containing building materials by qualified professionals:
    - i. National Emission Standards for Hazardous Air Pollutants (NESHAP) apply.
    - ii. Removal of asbestos shall be carried out per Federal EPA and State regulations and rules.
  - b. Lead - Health and Safety and Lead Safe Housing:
    - i. All scopes of work performed pursuant to this rehabilitation standard shall support the maintenance of project compliance as required under 24 CFR Part 35.
    - ii. Lead-Based Paint
      - Federal and state regulations related to lead-based paint apply to target housing, which is defined as any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless a child of less than 6 years of age resides or is expected to reside in such housing for the elderly or persons with disabilities) or any zero-bedroom dwelling. Rehabilitation of target housing must be completed in a manner which insures the health and safety of workers and residents, especially children. A number of regulations apply when lead painted surfaces are disturbed in residential properties, primarily requiring the appropriate training of workers and the use of safe work practices. In some cases, use of federal funds for rehabilitation will trigger a higher level of lead paint treatments based on the amount of federal money being used. The following regulations must be adhered to during all rehabilitation of target housing:  
Federal Regulations:
      - HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing. More information is available at:  
[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshr](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr)
      - EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child-occupied facilities to be licensed by EPA and use lead-safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed. More information is available at: <http://www2.epa.gov/lead>
      - HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants. More information is available at:  
[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_12347.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12347.pdf)

- OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects. More information is available at: <https://www.osha.gov>

Nebraska Regulations Title 178 Nebraska Administrative Code (NAC) Chapter 23:

- Nebraska law requires all work that disturbs paint in target housing to be completed using lead safe work practices. Rehabilitation completed in accordance with federal regulations described above will generally fulfill this requirement. Nebraska law includes the implementation of the Residential Lead-based Paint Professions Certification Act and the Uniform Licensing Law, as applicable.
- Nebraska law also requires conformance with Neb. Rev. Stat. §71-2518 lead poisoning prevention program and Neb. Rev. Stat. §§71-6318-71-6331.01 related to the Residential Lead-Based Paint Professions Practice Act.
- Any questions regarding compliance with lead paint regulations should be directed to the Nebraska Department of Health and Human Services, Public Health Division, Lead-Based Paint Program at 402-471-0549 or at: <http://dhhs.ne.gov/publichealth/Pages/LeadContact.aspx>

#### **O. CONVEYANCE SYSTEMS**

1. Elevators may be installed when appropriate and possible, when such elevator is part of the project's program goals, or as required by code, as follows:
  - a. Installed per code NFPA 101, Chapter 9.4
  - b. ASME 17.1 Safety Code for Elevators – 2013
  - c. Nebraska Elevator Safety Rules
2. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with an expected useful life of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period, and approved by agencies having jurisdiction.

## P. MECHANICAL

1. General:
  - a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
  - b. Energy efficiency:
    - i. Nebraska Uniform Energy Efficiency Standards, §§81-1608 to 81-1626, Reissue Revised Statutes of Nebraska (2011).
    - ii. As outlined in the HTF Standards, all projects will either achieve the target energy efficiency objectives of the standard or present NDED with an operational case for project sustainability pursuant to the financial structure of the project.
    - iii. In both the design and implementation of project rehabilitation scopes of work, particular emphasis should be made to maximize the effectiveness of the energy efficiency related work scopes.
  - c. All mechanical systems shall meet all applicable codes:
    - i. Nebraska State Fire Code Regulations, Title 153 & NFPA 101 Life Safety Code, 2012 Edition
    - ii. International Plumbing Code – 2012 & Nebraska Uniform Plumbing Code (UPC), 2009, per LB 42, 2012
    - iii. Nebraska Energy Codes as they may apply:
      - Nebraska Residential Building Energy Standards (NBES) for buildings of three stories or less; and/or
      - Nebraska Commercial Building Energy Standards (NBES) for buildings of 4 stories or more, and some mixed-use buildings.
    - iv. Plumbing fixtures will be accessibility compliant as required
    - v. State and local Fire & Building Codes, as applicable.
2. Fire protection
  - a. In general, all buildings assisted with HTF funds shall have fire suppression as required by applicable codes with approved sprinkler systems installed as required by NFPA 101 and NFPA 1, and approved by the Nebraska State Fire Marshal:
    - i. System design to conform to applicable NFPA standard 13 or 13R
    - ii. System calculations and design shall be done by a person holding a NICET Level III certification or a Water-Based Fire Protection System Contractor approved by certification with the Nebraska State Fire Marshal.
    - iii. System installed by State approved persons holding appropriate TQP certificates.
    - iv. Underground water services for sprinkler system shall meet NFPA 24
    - v. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
  - b. Where possible, piping for the sprinkler system shall be concealed.
3. Plumbing
  - a. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. Substandard or critical non-code compliant components shall be replaced.
  - b. Use water-saving shower heads and faucet aerators as required and applicable.
  - c. All fixtures, piping fittings and equipment shall be lead-free in accordance with the Nebraska Plumbing Rules.
  - d. Kitchen fixtures – When existing kitchen fixtures are not reused in accordance with P.3.a. above, new sinks and faucets, and associated plumbing shall be installed in each apartment.
  - e. Bath fixtures – When existing bath fixtures are not reused in accordance with P.3.a. above, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in

- each apartment.
  - i. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
- f. Provision for laundry rooms or laundry hook-ups may be made per project's program requirements.
- g. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
- 4. Heating
  - a. System design:
    - i. Must comply with NDED's Minimum Rehabilitation Standards.
    - ii. Where existing components of a system are proposed to be reused, they will be examined and determined to be in good and serviceable condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period.
  - b. Temperature control - The temperature in each apartment shall be individually thermostatically controlled.
  - c. Provide adequate heat in common spaces.
  - d. Install pipe insulation with minimum 1.5" wall thickness
  - e. Minimum equipment efficiencies per applicable Nebraska Department of Energy requirements
  - f. Motors and pumps – high efficiency Brushless Permanent Magnet Pumps (BLPM) with variable frequency drives (VFD) per state and local requirements.
  - g. Control wiring and control strategies per state and local requirements with outdoor temperature reset.
  - h. Finned Tube Radiation – where used - high output heavy gauge enclosure baseboard finned tube radiation is recommended to provide a more durable product with a longer expected useful life. Replace existing as appropriate.
- 5. Ventilation
  - a. Code-compliant indoor air quality will be addressed by the installation of either exhaust only or balanced (heat recovery) ventilation systems as required by:
    - i. Fire protection of system ducts per NFPA 101, Chapter 9.2
    - ii. ASHRAE 62.2
    - iii. REBS or CBES
    - iv. NDED Rehabilitation Standards.
  - b. Balanced mechanical ventilation systems are encouraged.
  - c. Ventilation controls shall be per applicable codes
- 6. Domestic Hot Water:
  - a. System shall be designed as required per code.
  - b. Install pipe insulation per code.

#### **Q. ELECTRICAL**

- 1. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
- 2. Project electrical must be installed by a licensed electrician
- 3. Energy efficiency:
  - a. Must comply with NDED's Minimum Rehabilitation Standards.
- 4. Design shall comply with all the applicable codes:
  - a. Nebraska State Fire & Building Code, Title 153
  - b. NFPA 101, Life Safety Code
  - c. NFPA 70, National Electrical Code, 2011 Edition

- d. NFPA 72, National Fire Alarm and Signaling Code
- e. NFPA 20, Standard for the Installation of Stationary Pumps for Fire Protection
- 5. In general, the electrical system should be new throughout a building:
  - a. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a remaining useful life of a minimum of 30 years, or covered by the 20-year capital plan and/or subsequent 5-year updates during the 30-year affordability period. The designer, in concert with the State electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
- 6. Utility connections shall be installed per the rules and regulations of the electrical utility.
- 7. Electrical service and metering:
  - a. The service entrance size shall be calculated to handle the proposed electrical loads.
  - b. Metering and disconnects shall be per code and mounted at approved locations.
- 8. Elevator wiring shall conform to the ANSI 17.1 as provided within the Nebraska Elevator Safety Rules.
- 9. Electrical distribution system:
  - a. Lighting and receptacle circuits shall be designed per code.
  - b. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
  - c. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
- 10. Artificial Lighting shall be provided using IBC 1205 as a minimum guideline.
  - a. All lighting shall be in accordance NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
  - b. Developers are encouraged to upgrade to Energy Star® Category.
- 11. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
  - a. Energy efficient lighting shall meet the minimum program requirements of NDED's Minimum Standards for Rehabilitation and other state and local codes, as applicable.
- 12. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
- 13. Fire detection and alarms:
  - a. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
  - b. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
  - c. CO detectors shall be installed per Nebraska State Fire and Building Code and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
  - d. Where required – system annunciation shall be in accordance with NFPA 1.
- 14. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
- 15. PV Solar – an optional solar-powered photovoltaic panel system may be installed in accordance with the National Electrical code, State energy code, and the regulations of the governing utility.

**ATTACHMENT B NDED HTF Rehab Standards: Uniform Physical Condition Standards for Single Family and Multifamily Housing Rehabilitation**

**NOTE:** Deficiencies highlighted in orange are life-threatening and must be addressed immediately, if the housing is occupied.

<b>REQUIREMENTS FOR SITE</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Fencing and Gates</b>	Damaged/Falling/Leaning	<i>Fence or gate is missing or damaged to the point it does not function as it should</i>
	Holes	<i>Hole in fence or gate is larger than 6 inches by 6 inches</i>
	Missing Sections	<i>An exterior fence, security fence or gate is missing a section which could threaten safety or security</i>
<b>Grounds</b>	Erosion/Rutting Areas	<i>Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable</i>
	Overgrown/Penetrating Vegetation	<i>Vegetation has visibly damaged a component, area or system of the property or has made them unusable or unpassable</i>
	Ponding/Site Drainage	<i>There is an accumulation of more than 5 inches deep and/or a large section of the grounds-more than 20%-is unusable for it's intended purpose due to poor drainage or ponding</i>
<b>Health &amp; Safety</b>	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Mailboxes/Project Signs</b>	Mailbox Missing/Damaged	<i>Mailbox cannot be locked or is missing</i>
	Signs Damaged	<i>The project sign is not legible or readable because of deterioration or damage</i>
<b>Parking Lots/Driveways/Roads</b>	Cracks	<i>Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard</i>
	Ponding	<i>3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe</i>
	Potholes/Loose Material	<i>Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling</i>

	Settlement/Heaving	<i>Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles</i>
<b>Play Areas and Equipment</b>	Damaged/Broken Equipment	<i>More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk</i>
	Deteriorated Play Area Surface	<i>More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk</i>
<b>Refuse Disposal</b>	Broken/Damaged Enclosure-Inadequate Outside Storage Space	<i>A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal</i>
<b>Retaining Walls</b>	Damaged/Falling/Leaning	<i>A retaining wall is damaged and does not function as it should or is a safety risk</i>
<b>Storm Drainage</b>	Damaged/Obstructed	<i>The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended</i>
<b>Walkways/Steps</b>	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Cracks/Settlement/Heaving	<i>Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard</i>
	Spalling/Exposed rebar	<i>More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches—that affects traffic ability</i>
<b>REQUIREMENTS FOR BUILDING EXTERIOR</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim</i>
	Damaged Hardware/Locks	<i>Any door that does not function as it should or cannot be locked because of damage to the door's hardware</i>
	Damaged Surface (Holes/Paint/Rusting/Glass)	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass</i>
	Damaged/Missing Screen/Storm/Security Door	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing</i>
	Deteriorated/Missing Caulking/Seals	<i>The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should</i>
	Missing Door	<i>Any exterior door that is missing</i>
<b>Fire Escapes</b>	Blocked Egress/Ladders	<i>Stored items or other barriers restrict or block people from exiting</i>
	Visibly Missing Components	<i>Any of the functional components that affect the function of the fire escape--one section of a ladder or railing, for example--are missing</i>
<b>Foundations</b>	Cracks/Gaps	<i>Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart</i>
	Spalling/Exposed Rebar	<i>Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material--rebar or other</i>
<b>Health and Safety</b>	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>

	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Lighting</b>	Broken Fixtures/Bulbs	<i>10% or more of the lighting fixtures and bulbs surveyed are broken or missing</i>
<b>Roofs</b>	Damaged Soffits/Fascia	<i>Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible</i>
	Damaged Vents	<i>Vents are missing or so visibly damaged that further roof damage is possible</i>
	Damaged/Clogged Drains	<i>The drain is damaged or partially clogged with debris or the drain no longer functions</i>
	Damaged/Torn Membrane/Missing Ballast	<i>Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration</i>
	Missing/Damaged Components from Downspout/Gutter	<i>Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior</i>
	Missing/Damaged Shingles	<i>Roofing shingles are missing or damaged enough to create a risk of water penetration</i>
	Ponding	<i>Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials</i>
<b>Walls</b>	Cracks/Gaps	<i>Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration</i>
	Damaged Chimneys	<i>Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard</i>



	Missing/Damaged Caulking/Mortar	<i>Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage</i>
	Missing Pieces/Holes/Spalling	<i>Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage</i>
	Stained/Peeling/Needs Paint	<i>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</i>
<b>Windows</b>	Broken/Missing/Cracked 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 Sills/Frames/Lintels/Trim	<i>Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness</i>
	Damaged/Missing Screens	<i>Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length</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>
	Peeling/Needs Paint	<i>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</i>
	Security Bars Prevent Egress	<i>The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
<b>REQUIREMENTS FOR BUILDING SYSTEMS</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	<b>Type and Degree of Deficiency that must be addressed</b>
<b>Domestic Water</b>	Leaking Central Water Supply	<i>Leaking water from water supply line is observed</i>
	Missing Pressure Relief Valve	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion on Heater Chimney	<i>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</i>
	Water Supply Inoperable	<i>There is no running water in any area of the building where there should be</i>
<b>Electrical System</b>	Blocked Access/Improper Storage	<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>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Outlet Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
<b>Elevators</b>	Not Operable	<i>The elevator does not function at all or the elevator doors open when the cab is not there</i>
<b>Emergency Power</b>	Auxiliary Lighting Inoperable (if applicable)	<i>Auxiliary lighting does not function</i>
<b>Fire Protection</b>	Missing Sprinkler Head	<i>Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped</i>
	Missing/Damaged/Expired Extinguishers	<i>There is missing, damaged or expired fire extinguisher in any area of the building where a fire extinguisher is required</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>

	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Elevator - Tripping	<i>An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable Materials - Improperly Stored	<i>Flammable materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards – Tripping Hazards	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
HVAC	Boiler/Pump Leaks	<i>Evidence of water or steam leaking in piping or pump packing</i>
	Fuel Supply Leaks	<i>Evidence of any amount of fuel leaking from the supply tank or piping</i>
	General Rust/Corrosion	<i>Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice</i>
	Misaligned Chimney/Ventilation System	<i>A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases</i>
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	<i>The roof exhaust fan unit does not function</i>
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	<i>Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding--a sign of leaks or clogged drains</i>
	Missing Drain/Cleanout/Manhole Covers	<i>A protective cover is missing</i>

REQUIREMENTS FOR COMMON AREAS		
Inspected Item	Observable Deficiency	Type and Degree of Deficiency that must be addressed
Basement/Garage/Carport	Baluster/Side Railings - Damaged	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	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types</i>
	Floors - Floor Covering Damaged	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.</i>
	Floors - Missing Floor/Tiles	<i>More than 5% of the flooring or tile flooring is missing</i>
	Floors - Peeling/Needs Paint	<i>Any painted flooring that has peeling or missing paint on more than 10% of the surface</i>
	Floors - Rot/Deteriorated Subfloor	<i>Any rotted or deteriorated subflooring greater than 6 inches by 6 inches</i>
	Floors - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--covering a flooring area greater than 1 foot square</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Graffiti	<i>Any graffiti on any exposed surface greater than 6 inches by 6 inches</i>
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans</i>
	HVAC - General Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
	HVAC - Inoperable	<i>HVAC does not function. It does not provide the heating and cooling as it should. The system does not respond when the controls are engaged</i>
	HVAC - Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	HVAC - Noisy/Vibrating/Leaking	<i>HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>
	Lavatory Sink - Damaged/Missing	<i>Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used</i>
	Lighting - Missing/Damaged/Inoperable Fixture	<i>More than 10% of the permanent lighting fixtures are missing or damaged so they do not function</i>
	Mailbox - Missing/Damaged	<i>The U.S Postal Service mailbox cannot be locked or is missing</i>
	Outlets/Switches/Cover Plates - Missing/Broken	<i>Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring</i>
	Pedestrian/Wheelchair Ramp	<i>A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove - Missing/Damaged/Inoperable	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning</i>
	Refrigerator - Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance</i>
	Restroom Cabinet - Damaged/Missing	<i>Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Sink - Missing/Damaged	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of</i>

		<i>the sink surface or sink is missing</i>
	Smoke Detector - Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
	Stairs - Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Stairs - Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
	Ventilation/Exhaust System - Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Walls - Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
	Walls - Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Walls - Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Walls - Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Walls - Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a common area--covering a wall area greater than 1 foot square</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
	Windows - Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane</i>
	Windows - Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness</i>
	Windows - Inoperable/Not Lockable	<i>Any window that is not functioning or cannot be secured because lock is broken</i>
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure</i>
	Windows - Peeling/Needs Paint	<i>More than 10% of interior window paint is peeling or missing</i>
	Windows - Security Bars Prevent Egress	<i>The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Propane/Natural Gas/Methane Gas Detected	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Electrical Hazards - Exposed Wires/Open Panels	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near Electrical Equipment	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion</i>
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit</i>
	Emergency Fire Exits - Missing Exit Signs	<i>Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign</i>
	Flammable/Combustible Materials - Improperly Stored	<i>Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion</i>
	Garbage and Debris - Indoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris</i>

	Hazards - Other	<i>Any general defects or hazards that pose risk of bodily injury</i>
	Hazards - Sharp Edges	<i>Any physical defect that could cause cutting or breaking of human skin or other bodily harm</i>
	Hazards - Tripping	<i>Any physical defect in walkways or other travelled area that poses a tripping risk</i>
	Infestation - Insects	<i>Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk</i>
<b>Pools and Related Structures</b>	Fencing - Damaged/Not Intact	<i>Any damage that could compromise the integrity of the fence</i>
<b>Trash Collection Areas</b>	Chutes - Damaged/Missing Components	<i>Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components--chute, chute door, and other components--have failed</i>
<b>REQUIREMENTS FOR UNIT</b>		
<b>Inspected Item</b>	<b>Observable Deficiency</b>	
<b>Bathroom</b>	Bathroom Cabinets - Damaged/Missing	<i>Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose</i>
	Lavatory Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing</i>
	Plumbing - Clogged Drains, Faucets	<i>Drain or faucet is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Shower/Tub - Damaged/Missing	<i>Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing</i>
	Ventilation/Exhaust System – Absent/Inoperable	<i>exhaust fan is not functioning or window designed for ventilation does not open</i>
	Water Closet/Toilet - Damaged/Clogged/Missing	<i>Fixture elements--seat, flush handle, cover etc.--are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed</i>
<b>Call-for-Aid (if applicable)</b>	Inoperable	<i>The system does not function as it should</i>
<b>Ceiling</b>	Bulging/Buckling/Leaking	<i>Bulging, buckling or sagging ceiling or problem with alignment</i>
	Holes/Missing Tiles/Panels/Cracks	<i>Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long</i>
	Peeling/Needs Paint	<i>More than 10% of ceiling has peeling paint or is missing paint</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew--such as a darkened area--over a ceiling area greater than 1 foot square</i>
<b>Doors</b>	Damaged Frames/Threshold/Lintels/Trim	<i>Any door that is not functioning or cannot be locked because of damage to the frame, threshold,</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</i>
	Damaged/Missing Screen/Storm/Security	<i>Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty</i>
	Damaged Surface -	<i>Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no</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</i>
	Missing Door	<i>Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit</i>



<b>Electrical System</b>	Blocked Access to Electrical Panel	<i>One or more fixed items or items of sufficient size and weight impede access to the building</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</i>
	Frayed Wiring	<i>Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire</i>
	GFI - Inoperable	<i>The GFI does not function</i>
	Missing Breakers/Fuses	<i>Any open and/or exposed breaker port</i>
	Missing Covers	<i>A cover is missing, which results in exposed visible electrical connections</i>
<b>Floors</b>	Bulging/Buckling	<i>Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring</i>
	Floor Covering Damage	<i>More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose</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</i>
<b>Health &amp; Safety</b>	Air Quality - Mold and/or Mildew Observed	<i>Evidence of mold or mildew is observed that is substantial enough to pose a health risk</i>
	Air Quality - Sewer Odor Detected	<i>Sewer odors that could pose a health risk if inhaled for prolonged periods</i>
	Air Quality - Propane/Natural Gas/Methane	<i>Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose</i>
	Electrical Hazards - Exposed Wires/Open	<i>Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)</i>
	Electrical Hazards - Water Leaks on/near	<i>Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could</i>
	Emergency Fire Exits - Emergency/Fire Exits	<i>The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken,</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</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</i>
	Garbage and Debris - Outdoors	<i>Too much garbage has gathered-more than the planned storage capacity or garbage has gathered</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</i>
	Infestation - Rats/Mice/Vermin	<i>Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present</i>
<b>Hot Water Heater</b>	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Inoperable Unit/Components	<i>Hot water from hot water taps is no warmer than room temperature indicating hot water heater is</i>
	Leaking Valves/Tanks/Pipes	<i>There is evidence of active water leaks from hot water heater or related components</i>
	Pressure Relief Valve Missing	<i>There is no pressure relief valve or pressure relief valve does not drain down to the floor</i>
	Rust/Corrosion	<i>Significant formations of metal oxides, flaking, or discoloration--or a pit or crevice</i>
<b>HVAC System</b>	Convection/Radiant Heat System Covers	<i>Cover is missing or substantially damaged, allowing contact with heating/surface elements or</i>
	Inoperable	<i>HVAC does not function. It does not provide the heating and cooling, as it should. The system does</i>
	Misaligned Chimney/Ventilation System	<i>Any misalignment that may cause improper or dangerous venting of gases</i>
	Noisy/Vibrating/Leaking	<i>The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged</i>

	Rust/Corrosion	<i>Deterioration from rust or corrosion on the HVAC system in the dwelling unit</i>
<b>Kitchen</b>	Cabinets - Missing/Damaged	<i>10% or more of cabinet, doors, or shelves are missing or the laminate is separating</i>
	Countertops - Missing/Damaged	<i>10% or more of the countertop working surface is missing, deteriorated, or damaged below the</i>
	Dishwasher/Garbage Disposal - Inoperable	<i>The dishwasher or garbage disposal does not operate as it should</i>
	Plumbing - Clogged Drains	<i>Drain is substantially or completely clogged or has suffered extensive deterioration</i>
	Plumbing - Leaking Faucet/Pipes	<i>A steady leak that is adversely affecting the surrounding area</i>
	Range Hood/Exhaust Fans - Excessive	<i>A substantial accumulation of dirt or grease that threatens the free passage of air</i>
	Range/Stove -	<i>One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is</i>
	Refrigerator-Missing/Damaged/Inoperable	<i>The refrigerator has an extensive accumulation of ice or the seals around the doors are</i>
	Sink - Damaged/Missing	<i>Any cracks in sink through which water can pass or extensive discoloration over more than 10% of</i>
<b>Laundry Area (Room)</b>	Dryer Vent - Missing/Damaged/Inoperable	<i>The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not</i>
<b>Lighting</b>	Missing/Inoperable Fixture	<i>A permanent light fixture is missing or not functioning, and no other switched light source is</i>
<b>Outlets/Switches</b>	Missing	<i>An outlet or switch is missing</i>
	Missing/Broken Cover Plates	<i>An outlet or switch has a broken cover plate over a junction box or the cover plate is missing</i>
<b>Patio/Porch/Balcony</b>	Baluster/Side Railings Damaged	<i>Any damaged or missing balusters or side rails that limit the safe use of an area</i>
<b>Smoke Detector</b>	Missing/Inoperable	<i>Smoke detector is missing or does not function as it should</i>
<b>Stairs</b>	Broken/Damaged/Missing Steps	<i>A step is missing or broken</i>
	Broken/Missing Hand Railing	<i>The hand rail is missing, damaged, loose or otherwise unusable</i>
<b>Walls</b>	Bulging/Buckling	<i>Bulging, buckling or sagging walls or a lack of horizontal alignment</i>
	Damaged	<i>Any hole in wall greater than 2 inches by 2 inches</i>
	Damaged/Deteriorated Trim	<i>10% or more of the wall trim is damaged</i>
	Peeling/Needs Paint	<i>10% or more of interior wall paint is peeling or missing</i>
	Water Stains/Water Damage/Mold/Mildew	<i>Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square</i>
<b>Windows</b>	Cracked/Broken/Missing Panes	<i>Any missing panes of glass or cracked panes of glass where the crack is either greater than 4"</i>
	Damaged Window Sill	<i>The sill is damaged enough to expose the inside of the surrounding walls and compromise its</i>
	Missing/Deteriorated	<i>There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window</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 splash blocks shall be in safe working order. Ground areas around the habitable unit shall be sloped or drain away from foundation walls to prevent standing water.

Other Inspectable Items: Grounds:

Erosion / Rutting Areas  
 Overgrown / Penetrating Vegetation  
 Ponding / Site Drainage (affecting unit)

Storm Drainage:

Damaged / Obstructed

6. WINDOWS, EXTERIOR DOORS AND BASEMENT OR CELLAR HATCHWAYS – Every front, rear, side and basement or cellar door shall be no less than 2'4" in width and no less than 6' 6" in height. In existing structures, if replacement to meet these requirements would be impossible or cost-prohibitive, said requirement may be waived by the grantee.

Every window, exterior door and basement or cellar hatchway shall be substantially tight and rodent-proof. In addition, the following requirements shall be met:

- a. All exterior doors to the outside or to a common public hall shall be equipped with adequate security locks. Means of egress door locks shall be easily opened from the egress side without a key or special knowledge. All windows accessible from ground level without the aid of mechanical devices shall have a security device. Emergency escape windows shall be openable from the inside without the use of a key, code or tool;
- b. Every window sash shall be fully equipped with windowpane glazing materials free of cracks or holes, and all panes shall be secured with retaining devices or an adequate amount of putty. Said putty shall not be cracked, broken or missing;
- c. Every window sash shall be in good condition and fit tightly within its frame;
- d. Every window, other than a fixed window, shall be easily opened and held in position by window hardware;
- e. Every exterior and interior door, door hinge, door latch, and/or lock shall be in good working condition;
- f. Every exterior and interior door, when closed, shall fit well within its frame;
- g. Every window, door and frame shall be constructed in relation to the adjacent wall construction, to exclude rain and wind as completely as possible from entering the dwelling or structure;

Other Inspectable Items: Doors:

Damaged Frames / Threshold / Lintels / Trim  
 Damaged Hardware / Locks  
 Damaged / Missing Screen / Storm / Security Door  
 Damaged Surface – Holes / Paint / Rusting / Glass  
 Deteriorated / Missing Caulking / Seals (Entry Only)  
 Missing Door

7. STAIRWAYS, DECKS, BALCONIES AND PORCHES – Every interior and exterior stairway, porch, deck, balcony and appurtenance thereto, including hand and guard rails, shall be constructed to be sound and safe to use and capable of supporting the load that normal use may place upon it.

Other Inspectable Items: Stairs:

Broken / Damaged / Missing Steps  
 Broken / Missing Hand Railing

Patio, Porch, Deck, Balcony:

Baluster / Side Railings Damaged

8. SUPPLIED PLUMBING FIXTURES – Every plumbing fixture and water and waste pipe shall be properly installed in safe, sanitary working condition, free from leaks, defects, and obstructions.
9. BATHROOM, TOILET ROOM, KITCHEN AND UTILITY ROOM FLOORS – Every bathroom, toilet room, kitchen, and utility room floor surface shall be constructed to be impervious to water and to permit such floors to be easily kept clean and sanitary.

Indoor-outdoor type carpeting, when properly installed, shall be allowed in bathrooms, toilet rooms, kitchens and utility rooms except when in conflict with required interim controls or standard treatments required to comply with the lead-based paint regulation.

10. CHIMNEYS AND SMOKE PIPES – Every chimney and smoke pipe shall be adequately supported, structurally sound, and clean.
11. TREES AND VEGETATION – Trees and vegetation endangering the unit and/or its occupants shall be eliminated.
12. INTERNATIONAL RESIDENTIAL CODE FOR ONE AND TWO-FAMILY DWELLINGS – All rehabilitation work must meet or exceed the requirements of the International Residential Code as promulgated by the International Code Council in its current edition or as adopted in ordinance by the local jurisdiction.
- a. Work must comply with the permitting and inspection requirements of the local jurisdiction.
  - b. In the absence of local permitting and inspection services, the local recipient program shall engage qualified inspectors and document code inspection and compliance.

13. LEAD-BASED PAINT – As required under 24 CFR Part 35, the Final HUD Regulation on Lead-Based Paint Hazards in Federally Owned Housing and Housing Receiving Federal Assistance, all assisted dwelling units constructed before January 1, 1978, will be evaluated for lead-based paint hazards or presumed to have lead-based paint present throughout the unit when paint is disturbed.
- a. Evaluation will be done by a qualified, certified or licensed person as required under the regulation.
  - b. All lead-based paint hazards will be identified and reduced or eliminated through paint stabilization, interim controls or abatement with work being done by supervised, trained, qualified, certified or licensed persons as required under the regulation.
  - c. Safe work practices will be followed at all times.
  - d. Occupants shall be protected or temporarily relocated as required by the regulation. With some exceptions, as listed at 24 CFR 35.1345, occupants shall be temporarily relocated before and during hazard reduction activities to a suitable, decent, safe and similarly accessible dwelling unit that does not have lead hazards.
  - e. The dwelling unit and worksite shall be secured. The worksite shall be prepared and warning signs shall be posted as required by the regulation.
  - f. Clearance examinations will be performed by qualified personnel and final clearance shall be achieved as required by the regulations.
14. ENERGY CONSERVATION –
- a. Equipment, appliances, windows, doors and appurtenances replaced during rehabilitation shall be replaced with Energy Star qualified products.
  - b. If feasible, attics should be insulated to R38 and walls to a minimum of R11.
  - c. Replacement heating and/or cooling systems shall be properly sized as evidenced by completion of ACCA/ANSI Manual J® or an equivalent sizing calculation tool.
  - d. All accessible air ducts shall be tightly sealed.
  - e. Heating or cooling supply running through unconditioned space should be avoided or rerouted, but when present and accessible, shall be insulated.

15. INDOOR AIR QUALITY – The scope and conduct of rehabilitation of each dwelling unit shall take into consideration the improvement and maintenance of satisfactory and healthy air quality within the unit.
- a. A carbon monoxide detector installed per manufacturers' recommendations shall be present in each unit, and receive primary power from the building wiring or battery. If the house is all electric a carbon monoxide detector is not required.
  - b. Devices and appurtenances identified to contain mercury shall be removed or replaced excluding CFL bulbs.
  - c. Materials and methods used in carrying out rehabilitation, shall to the extent feasible, minimize and prevent dust, out gassing, volatile organic compounds and other contaminants within the dwelling unit.

Other Inspectable Items: Health and Safety:

Air Quality - Mold and/or Mildew Observed

Sewer Odor Detected

Propane/Natural Gas/Methane Gas Detected

16. UNIVERSAL DESIGN AND ACCESSIBILITY – Rehabilitation of each unit shall be carried out with consideration for the needs of its occupants and to the maximum practical extent in accordance with the principles of universal design. For guidance in implementing universal design features, visit [www.design.ncsu.edu/cud](http://www.design.ncsu.edu/cud).
- a. The housing must meet the accessibility requirement of 24 CFR part 8, which implements section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR parts 35 and 36, as applicable. "Covered multi-family dwelling," as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities.

## **B. MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES**

- 1. WATER SUPPLY – All fixture water supplies shall be properly connected to public or private water system. All water supply inlet orifices (mouth of an opening from any pipe or faucet supplying water) shall have an air gap (The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet supplying water to a tank, plumbing fixture or other device and the floor level rim of the receptacle.) or shall be protected by vacuum breakers (also known as backflow preventers).
- 2. KITCHENS – Every dwelling shall have a kitchen room or kitchenette equipped with a kitchen sink, properly connected to both hot and cold running water lines, under pressure, and in working order.

Other Inspectable Items: Cabinets – Missing / Damaged  
 Countertops - Missing / Damaged  
 Dishwasher / Garbage Disposal – Leaking / Inoperable  
 Plumbing - Clogged Drains  
 Plumbing - Leaking Faucet / Pipes  
 Range Hood / Exhaust Fans - Excessive Grease / Inoperable  
 Range / Stove / Refrigerator- Missing / Damaged / Inoperable  
 Sink - Damaged / Missing

3. TOILET ROOM REQUIRED - Every dwelling unit, except as otherwise permitted for rooming houses, shall contain a room that is equipped with a flush water closet and properly installed lavatory. Said lavatory shall be properly connected to both hot and cold running water, under pressure, and shall be in working order. Fixtures shall be properly installed, free of hazards, leaks and defects, and in functional and sanitary order.

Said flush water closet shall be properly connected to the water supply, under pressure, and shall be in working order.

Other Inspectable Items: Bathroom:

Bathroom Cabinets - Damaged / Missing  
 Lavatory Sink - Damaged / Missing  
 Plumbing - Clogged Drains  
     Leaking Faucet / Pipes  
 Water Closet / Toilet - Damaged / Clogged / Missing  
 Ventilation / Exhaust System – Absent / Inoperable  
 Call-for-Aid Inoperable (where applicable)

4. PRIVACY IN ROOM CONTAINING TOILET AND BATH – Every toilet and every bath shall be contained in a room or within separate rooms which affords privacy to a person within said room or rooms. Said rooms shall not be the only passageway to the exterior.

Toilets and bathrooms shall have doors with a privacy type lock and such doors, locks and hardware shall be in working order.

5. SHARED TOILET FACILITIES – Shared toilet rooms shall be equipped with a flush water closet and lavatory basin, and shall be connected as provided in Section 2 above. In rooming house type structures, at least 1 toilet and 1 lavatory basin, properly connected as set forth above, shall be supplied for each 8 persons or fractions thereof residing within a rooming house, including members of the operator's family whenever they share the use of said facilities, provided that in rooming houses where rooms are let only to males, flush urinals may be substituted for not more than ½ of the required number of toilets.
6. BATH REQUIRED – Every dwelling unit shall contain a bathtub and/or shower. Fixtures shall be properly installed, free of hazards, leaks and defects, and shall be in functional and sanitary order.

Potable water supply piping, water discharge outlets, backflow prevention devices or similar equipment shall not be so located as to make possible their submergence in any contaminated or polluted liquid or substance.

Said bathtub and/or shower may be in the same room as the flush water closet and lavatory, or said bathtub and/or shower may be in a separate room. In all cases, these facilities shall be properly connected to both hot and cold running water lines, under pressure, and shall be in working order.

Other Inspectable Items: Shower / Tub - Damaged/Missing

7. LOCATION OF COMMUNAL TOILETS AND BATHS – Every communal bath required to be provided in accordance with other provisions, shall be located within a room or rooms accessible to the occupants of each dwelling unit sharing such facilities, without going through a dwelling unit of another occupant and without going outside of the dwelling.

In rooming houses, said room or rooms shall be located on the same floor of the dwelling as, or on the floor immediately above or below, the dwelling unit whose occupants share the use of such facilities.

8. HOT AND COLD WATER LINES TO BATH AND KITCHEN – Every dwelling shall have supplied water-heating facilities which are properly installed; in working condition and free of leaks; properly connected to hot water lines required; and are capable of supplying hot or tempered water at not less than 110°F to be drawn for every bath, as well as general usage.

Hot water storage associated with water heating facilities shall not be less than the following minimum capacities:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| a. 1 dwelling unit          | 30 gallons                            |
| b. 2 dwelling units         | 40 gallons                            |
| c. 3 or more dwelling units | 50 gallons or more and rooming houses |

Sizes and/or number of water heaters are to be based upon the number of units served. No water heaters shall be allowed in bathrooms or bedrooms. All hot water heaters shall be properly vented and sealed and equipped with a pressure relief valve and drip leg a maximum of 6" above the floor.

The local rehabilitation division and/or building inspection division may adjust the above-required capacities upward or downward based on the type and recovery time of the hot water system.

Other Inspectable Items: Hot Water Heater:

Misaligned Chimney / Ventilation System  
Inoperable Unit / Components  
Leaking Valves / Tanks / Pipes  
Pressure Relief Valve Missing  
Rust / Corrosion

9. CONNECTION OF SANITARY FACILITIES TO SEWAGE SYSTEM – Every kitchen sink, toilet, lavatory basin and bathtub/shower shall be in working condition and properly connected to an approved public or private sewage system.

All sewers and vents shall function properly and be free of leaks and blockages.

Other Inspectable Items: Sanitary System:

Broken / Leaking / Clogged Pipes or Drains  
Missing Drain / Cleanout / Manhole Covers



10. EXITS – Every exit from every dwelling and/or dwelling unit shall comply with the following requirements:
- 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 here within.

Other Inspectable Items: Basement / Garage / Carport:

Baluster / Side Railings – Damaged / Missing

Closet / Utility / Mechanical:

Cabinets – Missing / Damaged

Community Room:

Call-for-Aid – Inoperable

Kitchen / Laundry Room / Halls / Corridors / Stairs:

Ceiling – Holes / Missing Tiles / Panels / Cracks

Peeling / Needs Paint

Water Stains / Water Damage / Mold / Mildew

Laundry Dryer Vent – Missing / Damaged / Inoperable

Lobby:

Countertops – Missing / Damaged

Office:

Dishwasher / Garbage Disposal – Inoperable

Other Community Spaces / Restrooms / Patio / Porch / Balcony:

Doors – Damaged Frames / Threshold / Lintels / Trim

Damaged Hardware / Locks

Damaged Surface (Holes / Paint / Rust / Glass)

Storage:

Doors – Door, Screen, Storm-Security Door – Missing / Damaged  
Deteriorated / Missing Seals (Entry Only)

Electrical – Blocked Access to Electrical Panel

Burnt Breakers

Evidence of Leaks / Corrosion

Frayed Wiring

Missing Breakers / Covers

Hazards – Exposed Wires / Open Panels

Water Leaks on/near Electrical Equipment

Floors and Walls – Bulging / Buckling

Floor Covering Damaged / Missing Floor-Tiles

Peeling / Needs Paint



Rot / Deteriorated Subfloor  
 Water Stains / Water Damage / Mold / Mildew  
 Trim – Damaged / Missing  
 GFI – Inoperable  
 Graffiti  
 HVAC – Convection/Radiant Heat System Covers Missing/Damaged  
     General Rust / Corrosion  
     Inoperable  
     Misaligned Chimney / Ventilation System  
     Noisy / Vibrating / Leaking  
 Lavatory Sink – Damaged / Missing  
 Lighting – Missing / Damaged / Inoperable Fixture  
 Mailbox – Missing / Damaged  
 Outlets / Switches / Cover Plates – Missing / Broken  
 Pedestrian / Wheelchair Ramp  
 Plumbing – Clogged Drains  
     Leaking Faucet / Pipes  
 Range Hood / Exhaust Fans – Excessive Grease / Inoperable  
 Range / Stove / Refrigerator – Missing / Damaged / Inoperable  
 Restroom Cabinet / Sink / Shower-Tub – Damaged / Missing  
 Smoke Detector – Missing / Inoperable  
 Stairs – Missing / Damaged/ Broken Steps-Handrailing  
 Ventilation / Exhaust System – Inoperable  
 Water Closet / Toilet – Damaged / Clogged / Missing  
 Windows – Cracked / Broken / Missing Panes  
     Damaged Window Sill  
     Inoperable / Not Lockable  
     Missing / Deteriorated Caulking / Seals / Glazing  
  
 Health and Safety:  
     Air Quality – Mold / Mildew Observed  
         Propane / Natural Gas / Methane Gas Detected  
         Sewer Odor Detected  
     Emergency / Fire Exits – Blocked / Unusable  
         Missing Exit Signs  
     Flammable / Combustible Materials – Improperly Stored  
     Garbage and Debris – Indoors / Outdoors  
     Hazards – Other / Sharp Edges / Tripping  
     Infestation – Insects / Rats / Mice / Vermin  
     Pools and Related Structures – Fencing – Damaged / Not Intact  
     Trash Collection Areas – Chutes – Damaged / Missing Components

**F. FURTHER GUIDANCE TO MINIMUM REHABILITATION STANDARDS**

1. WORK WRITE-UP, COST ESTIMATES, CONSTRUCTION CONTRACTS AND CONSTRUCTION DOCUMENTS – Construction contracts, work write-ups, and construction documents must be in sufficient detail to establish the basis for uniform inspections of the housing to determine compliance with the minimum rehabilitation standards.
2. INSPECTIONS – Initial, progress and final inspections are required to be completed along with appropriate documentation of such in each property / project file. Progress and final inspections must be conducted to ensure that work is done in accordance with the applicable codes, the construction contract, and construction documents.
3. HEALTH AND SAFETY – In housing that is occupied, any life-threatening deficiencies that are identified must be addressed immediately.
4. MAJOR SYSTEMS – Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the remaining useful life of these systems must be estimated based on age and condition, upon project completion of each major system. (For multi-family rental housing projects of 26 units or more, the remaining useful life of the major systems must be determined through a capital needs assessment of the project.) For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, there must be a replacement reserve established and monthly payments made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, each of the major systems must have a remaining useful life for a minimum of 5 years, upon project completion, or the major systems must be rehabilitated or replaced as part of the rehabilitation work.
5. CAPITAL NEEDS ASSESSMENT – For multi-family rental housing projects of 26 units or more, a capital needs assessment of the project is required to determine all work that will be performed in the rehabilitation of the housing and the long-term physical needs of the project.
6. DISASTER MITIGATION – Where relevant, it will be required that the housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements, or such other requirements as HUD may establish.
7. BROADBAND – HUD includes internet connectivity in the regulatory definition of “utility connections.” All National Housing Trust Fund-assisted housing must meet the minimum property standards upon completion, so efforts to provide broadband internet access, where applicable, must be undertaken as part of the project.