NEBRASKA INVESTMENT FINANCE AUTHORITY

LOW-INCOME HOUSING TAX CREDIT PROGRAM

2022-2023 Qualified Allocation Plan

Approved by NIFA Board of Directors on 12/10/2021
Approved by Governor Ricketts on 12/23/2021

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

2022/2023 HOUSING CREDIT ALLOCATION PLAN

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LOW-INCOME HOUSING TAX CREDITS

Notice and Record of Public Hearing

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

RECEIVED OCT 0 1 2021

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1014829

The undersigned, being first duly sworn, deposes and says that she/he is a Clerk of the Lincoln Journal Star, legal newspaper printed, published and having a general circulation in the County of Lancaster and State of Nebraska, and that the attached printed notice was published in said newspaper

One successive times(s) the first insertion having been on September 26, 20 21 and thereafter on __________, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Section: Class Legals

Category: 0099 LEGALS

PUBLISHED ON: 09/26/2021

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The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.

Subscribed in my presence and sworn to before me on Sept 28, 20 21

Notary Public

GENERAL NOTARY - State of Nebraska
UVA BOONE
My Comm. Exp. January 31, 2025

NOTICE OF PUBLIC HEARING
Nebraska Investment Finance Authority For the 2022/2023 Qualified Allocation Plan

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a public hearing with respect to the 2022/2023 Qualified Allocation Plan (QAP) on October 8, 2021, at 9:00 a.m. CDT in the NIFA Board Room located at 1230 O Street, Suite 200, Lincoln, NE 68508. Persons requiring an accommodation consistent with the Americans with Disabilities Act with respect to access to the hearing or access to the information on the Authority's website are asked to contact Sheila Gans at NIFA at (402) 434-3900 at least 48 hours in advance of the hearing. Members of the public may access the meeting by videoconference by using the registration link below; however, no public comments can be taken by those attending virtually:
https://us02web.zoom.us/webinar/register/WN_wPiKip89RgKZMZ0n84DTw

The Authority will consider the information obtained at the public hearing and will take appropriate action that it may deem warranted including submission of the transcript of the public hearing to the Governor of the State, the designated elected official who must approve or disapprove the LIHTC Qualified Allocation Plan pursuant to Section 42 of the Internal Revenue Code of 1986. A draft of the proposed 2022\023 Qualified Allocation Plan is available on the Authority's website at www.nifa.org and at NIFA's office at 1230 "O" Street. Public comments may be submitted to NIFA in writing any time prior to the hearing the hearing to be held on October 8, 2021. Written comments should be addressed to Sara Tichota at NIFA at 1230 "O" Street, Suite 200, Lincoln, NE 68508-1402. For additional information, call (402) 434-3916.
1014829 1t Sep 26 ZNEZ

Omaha World-Herald

Date: September 26, 202

Affidavit of Publication

NIFA
1230 'O' ST.
SUITE 200
LINCOLN, NE 68508

RECEIVED OCT 0 1 2021

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ZNEZ

Publisher of the World Herald

I, (the undersigned) an authorized representative of the World Herald, a daily newspaper published in Omaha, Douglas County, Nebraska; do certify that the annexed notice Nebraska Investment Fina was published in said newspapers on the following dates:

09/26/2021

The First insertion being given ... 09/26/2021

Newspaper reference: 0000260754

Susan Allen

Billing Representative

Sworn to and subscribed before me this Sunday, September 26, 2021

Kimberly Kay Harris

Notary Public

Kimberly Kay Harris
NOTARY PUBLIC
Commonwealth of Virginia
Reg. No. 356753
Commission Exp. Jan. 31, 2025

State of Virginia
City of Richmond
My Commission expires ____________

E-mail
Sheila.Gans@nifa.org

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

*** Proof of Publication ***

State of Nebraska)
Lancaster County) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 1026920

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One successive times(s) the first insertion having been on

November 7, 20 21 and thereafter on

__________, 20____ and that said newspaper is the legal newspaper under the statues of the State of Nebraska.

Peggy Sommer

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 11/07/2021

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FILED ON: 11/9/2021

The above facts are within my personal knowledge and are further verified by my personal inspection of each notice in each of said issues.
Subscribed in my presence and sworn to before me on

Nov 9, 20 21

U B Boone Notary Public

GENERAL NOTARY - State of Nebraska
UVA BOONE
My Comm. Exp. January 31, 2025

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1026920 1t Nov 7 ZNEZ

Omaha World-Herald

Date: November 07, 202

Affidavit of Publication

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11/07/2021

The First insertion being given ... 11/07/2021

Newspaper reference: 0000270411

Susan Allen

Billing Representative

Sworn to and subscribed before me this Sunday, November 7, 2021

[signature]

Notary Public

Linh Thuy Le
Notary Public
Commonwealth of Virginia
Reg. No. 7953581
My Comm. Expires Nov 30, 2025

State of Virginia
City of Richmond
My Commission expires ____________

E-mail
Sheila.Gans@nifa.org

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU

Nebraska Investment Finance Authority
2022/2023 Qualified Allocation Plan Public Hearing
Low Income Housing Tax Credit (LIHTC) &
NE Affordable Housing Tax Credit (AHTC) Program
October 8, 2021

<u>Attendees:</u> Kathy Mesner, Mesner Development; Chris Lenz and Brent Williams, Excel Development Group; Teresa Kile, White Lotus Group; Chris Schroeder, NEMA; Rob Woodling, Foundations Development; Charlie Wesche and Wayne Mortensen, NeighborWorks Lincoln; Ryan Durant, RMD Group; Jim Posey, Straightline Development; Joseph Shannon, Greater Saint Paul Ministries; Jake Hoppe and Fred Hoppe, Hoppe Development; Matthew Cavanaugh, Name Housing Corporation; Susan Nickerson and Mechele Grimes, Nebraska Department of Economic Development and Lauren Foster, Greater Fremont Development Corporation.

<u>NIFA Staff in Attendance</u>: Sara Tichota, Robin Ambroz, Pamela Otto, and Shannon Harner.
<u>NIFA Board in Attendance</u>: Susan Bredthauer, Michael Walden-Newman

Meeting called to order at 9:06 a.m. CDT

<u>Summary of Public Comments categorized by topic:</u>
<u>Family Housing:</u>

Kathy Mesner, Mesner Development

Concerned about the emphasis on larger units in QAP. Remove family points and keep senior points. Written comment provided as well as a report regarding housing shortages.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point.

Senior Housing:

Chris Lenz, Excel Development Group

Raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all their lives.

Brent Williams, Excel Development Group

Reiterate what Kathy Mesner mentioned about the need for senior housing. Seniors don’t want to move out of neighborhoods.

NIFA will continue to evaluate this criterion, but no change is proposed regarding senior housing points at this time.

QCT:

Chris Lenz, Excel Development Group

If you are set on leaving Areas of High Opportunity in the application, consider the following: raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most.

NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program. In addition, the points available for Areas of High Opportunity have been reduced to a maximum of three 3 points.

Small Community:

Kathy Mesner, Mesner Development

Keep small community points as they still need housing.

Rob Woodling, Foundations Development

Do not remove small community points, You will find in rural areas that people will have to pick between 50 units in Grand Island and 5 units in Alda, people will go to Grand Island. The tax credits will go to the bigger rural cities and not the smaller rural areas.

Jake Hoppe, Hoppe Development

Elimination of small community points is concerning. The ability to serve a small community is important, and otherwise, there is going to be a high concentration of developments in the bigger cities.

NIFA is reinstating the small community points for Non-Metro areas only.

Threshold:

Kathy Mesner, Mesner Development

Does not like the removal of threshold points, as that shows readiness.

Rob Woodling, Foundations Development

Taking away the threshold points, especially zoning, could result in projects that are not ready to proceed. Putting some readiness points back in makes sense.

Chris Lenz, Excel Development Group

I agree that zoning shows readiness; however, in rural areas, it is very difficult to find land that is already zoned for multifamily or allows multifamily. Land in rural areas is mostly agriculture and we would have to then ask the seller to rezone the land before a reservation is made for the development. Harder and harder to find properly zoned properties.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold.

Efficiency Measures:

Kathy Mesner, Mesner Development-

CDBG-DR requirements will cause significant cost increases to a development. We need to be able to pull out those increases for those applicants applying for CDBG-DR to be competitive in the efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead,

NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

<u>Density Configurations:</u>

Jake Hoppe, Hoppe Development

Housing density points, we do continue to believe that is at odds with urban and suburban and it does add costs and leaves out the missing middle.

Wayne Mortensen, NeighborWorks Lincoln

Density bonuses are incentivizing suburbanizing projects, land is the highest it has been in metro areas. Sustainability 12 units per acre, to be consist with transportation, we are essentially telling developers that transit is not important. Density points should be revisited.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA is removing the density points and will continue to evaluate density standards.

<u>CROWN and Right of First Refusal:</u>

Rob Woodling, Foundations Development

By removing the CROWN projects from right of first refusal, no one will do CROWN projects, balancing it back out makes sense.

Teresa Kile, White Lotus Group

Teresa Kile read from her written comments which are attached.

NIFA will allow CROWN projects to request points for the Right of First Refusal.

<u>Green Standards:</u>

Kathy Mesner, Mesner Development

The housing industry needs to think about Green standards and how they can be incorporated into a development. If we don't move the dial on renewable energy than many of our tenants are going to be facing utility bills that rival their rents. This is an opportunity to think out of the box and incentivize new programs to partner with LIHTC.

Teresa Kile, White Lotus Group

We really need to weigh the cost of what the green standard will add to the project and the lifespan and what is the cost to sustain long term. Does it add value to the tenant and developer? To keep the green standard continuously, is that really helping the tenant long term, as the higher the debt for a project, the tenant will end up paying. We need green standards that keeps properties affordable.

Wayne Mortensen, NeighborWorks Lincoln

For future QAP, NIFA needs to research best practices from other states regarding their green standards and adopt green standards (Enterprise, etc.) in ways that allow developers to know what is needed for their developments to be sustainable for the environment.

NIFA will continue to evaluate these criteria, but no change is proposed at this time.

<u>High Opportunity:</u>

Chris Lenz, Excel Development Group

Based on the map, most all the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town.

Rob Woodling, Foundations Development

This is for metro only and should be state-wide, as non-metro will get less points and it will be difficult for them to get NDED funds. There is a moral argument against how it is currently set up. Why is the opportunity for rural children less important than urban children? This should cover the entire state if NIFA is going to do it.

Brent Williams, Excel Development Group

With the High Opportunity section, developers will try to chase the points. I have talked to a few of the Lincoln land developers in south and east Lincoln and talked to them about the willingness to sell land to LIHTC developers. I was told that LIHTC developments decrease land values and there is no way they would be willing to sell land for a LIHTC projects (unless it is for an outrageous price) in the high opportunity areas.

Jake Hoppe, Hoppe Development

We are very interested in trying to meet the high opportunity areas section. There has been concern about over concentrating low-income housing in one area. Regarding what Brent Williams brought up, it is good to have some affordable housing next to the newer development areas. It is going to require a bold set of rethinking about how the QAP prioritizes location.

Wayne Mortensen, NeighborWorks Lincoln

Consideration of additional housing in low- and moderate-income areas needs to stay a priority as those neighborhoods need housing as well.

Bishop John Shannon Senior, Greater St. Paul Ministries Pastor North Omaha

I represent the citizens of North Omaha that have lived in North Omaha all their lives. Their property is deteriorating, and by making it difficult to build affordable housing in North Omaha, these citizens are going to keep living in these houses that is not healthy just to stay in their neighborhoods. Most of these citizens do not want to move to west Omaha, as it is not in their social network. Affordable housing is needed in North Omaha.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3)

points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

<u>HOME Funds:</u>

Chris Lenz, Excel Development Group

Could we do a little better job of providing detail for eligible HOME applicants. Eliminating regional non-profits? Who is eligible?

NDED Response: Eligible Developers/Owners for HOME include developers or owners of the rental housing and may be small-scale property owners, for-profit developers, nonprofit housing providers, CHDOs, the local government, redevelopment organizations or public housing agencies. Per 24 CFR 92, the commitment of HOME or HTF funds (written agreement) will be with the project owner.

<u>Amenities:</u>

Fred Hoppe, Hoppe Development

I have a holistic comment, I believe the goal of tax credits is to be integrated into communities and bring affordable housing into market rate neighborhoods. The QAP is not responsive in putting developments into market rate neighborhoods, the Metro only portion kind of goes there but there are no points for putting a development by a park. The developer is required to put the park in themselves. Exclusive parks for the development are not inclusive to neighborhoods. Tailor some of the amenities to proximity not exclusivity, so we can make housing a part of a neighborhood and not secluded.

NIFA will continue to evaluate these criteria, but no change is proposed at this time.

<u>Supportive Services:</u>

Jake Hoppe, Hoppe Development

Supportive Services are challenging for rural areas, with limited access to organizations to provide these services.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two points or higher.

<u>4% Qualified Allocation Plan Timeline:</u>

Jake Hoppe, Hoppe Development

The Deadline on the 4% AHTC is so quick, the concern is that you will have projects that won't address the needs of this QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

<u>Positive Comments:</u>

Kathy Mesner, Mesner Development

I appreciate that metro vs non-metro are going to be scored separately.

Jake Hoppe, Hopper Development

There is a lot to celebrate in this QAP and some interesting and bold choices.

Meeting Adjourned at 9:56 a.m.

Written Comments received – See attached correspondence from:

- **Don Curry**
- **Chris Lenz, Excel Development Group**
- **Jake Hoppe, Hoppe Development**
- **Kathy Mesner, Mesner Development**
- **Neeraj Agarwal, Clarity Development**
- **William Lukash, Omaha Planning Department**
- **Ryan Durant, RMD Group LLC**
- **Ryan Harris, Midwest Housing Equity Group**

- **Teresa Kile, White Lotus Group**
- **Todd Lieberman, Brinshore Development, LLC**

Don Curry

High Opportunity: In my opinion by not incentivizing Affordable Housing Development in North and South Omaha, you are contributing to Gentrification, and you would be placing Tenants of Color in hostile conditions, ex. “You are not welcome here!”; given the current state of race relations.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

Chris Lenz – Excel Development Group

High Opportunity: Based on the map most all of the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

<u>QCT:</u> If you are set on leaving this point option in the application (High Opportunity), I would ask you to consider the following: raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most.

NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program. In addition, the points available for Areas of High Opportunity have been reduced to a maximum of three 3 points.

<u>Senior Housing:</u> Raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all of their lives.

NIFA will continue to evaluate this criterion, but no change is proposed regarding senior housing points at this time.

Jake Hoppe – Hoppe Development

<u>Positive Comments:</u>

- Metro versus Non-Metro: removing the competition from Metro and non-metro ensures clarity in how projects will be scored, distribution of projects in the state, and sets up the opportunity to tailor applications to be most appropriate for the communities they serve.
- Rule regarding a $500,000 financing gap: creating this rule will ensure feasible projects that are executable as well as ensure reasonable request for NDED or other funding.
- Strengthening the oversight of the non-profit for ROFR: this change is a positive step to ensuring that non-profits are independent and represent a housing interest, as opposed to an extension or tool to secure awards.
- Reduction of Emphasis on Preservation and Increase in Time to 20 years: this step helps orient toward new construction of units and removes adverse incentives to resubmit deals for the purposes of supporting development fees.
- Family Development Category: this change will incentivize the development of family-appropriate housing, which we think is laudable.
- Points based on the Children’s Diversity Index: this change will incentivize placement of projects outside of historically high poverty neighborhoods.

- New efficiency point scoring: the change to efficiency points based on total development costs, instead of eligible basis, will encourage mixed use developments and removes incentive stacking as a mechanism to strengthen the appearance of efficient development.

4% Qualified Allocation Plan Timeline: The timing of the 2022 4% applications is insufficient to effectively respond to the priorities outlined in the new QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

Supportive Services: Supportive services as defined are highly proscriptive and do not adapt to the flexible scenarios that may be encountered, especially in Western Nebraska, where the delivery of on-site services may be challenging, and many off-site delivery methods have become accepted.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two points or higher.

Management Experience: Concerned about the certification of experience, as well as the sheer number of points in this category. It does not appear clear that these points will distinguish between two organizations with many projects, one which has managed them well, and one that has managed them poorly. They both seem that they would receive the maximum number of points.

NIFA will continue to evaluate these criteria, but no change is proposed at this time.

Density: The QAPs retain a prioritization for housing typology that reflects a rural or suburban typology and is not reflective of the "missing middle" housing typologies that have frequently been referenced as critical to include in the housing stock. The two story, individual entrance limitations remove significant design creativity. Further, this prioritization within the 4% AHTC it is not responsive to the use and need of 4% bonds with AHTC to build denser multifamily projects.

NIFA is removing the density points and will continue to evaluate density standards.

Small Community: Removal of the small community points will eliminate tax credit projects in communities of <5,000 residents, and virtually eliminate them for all but 10-12 communities state-wide.

NIFA is reinstating the small community points for Non-Metro areas only.

4% Private Activity Bond Cap: The 4% QAP allows one project to have up to $18 million in bonds and if there is only $20 million in bonds, there is only enough for one award.

The 4% Private Activity Bond Cap for AHTC rounds is proposed at approximately $40 million, not $20 million.

4% AHTC QAP: The QAP clarifies that efficient housing production points will only be utilized in the event that multiple applications are received for a single county, it does not specify how they will be utilized. Will they be a tie breaker? Will they be added to the total number of other points?

The Efficient Housing Production points will be added to the total number of points if more than one application is received in a county.

Certification of Experience for Applicant and Management Company: How are these points earned?

The details in the application have been updated to indicate how the categories will be evaluated.

Non-Profit Partner: How can we ensure a non-profit partner was adequate or approved? Will NIFA provide that feedback?

NIFA staff is available to discuss specific questions regarding non-profit partners.

Efficient Housing Production: Could we get confirmation of the exact calculation methodology? Specifically, is it total development cost – land divided by total units, or total LIHTC units?

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis, which is consistent with the practice in previous years.

NDED Funding: Is there a reason a nonprofit needs to be involved for NDED funding? It is now passed directly to the developer.

NDED Response: For HOME/HTF, NDED does not require a non-profit to be involved. The HOME and HTF programs require the written agreement to be with the owner to carry out eligible activities. However, with respect to CDBG-DR, NDED is carefully reviewing the requirements of the federal resource in the context of maximizing the program's impact while minimizing risk to the state and potential subrecipients of CDBG-DR resources. This review includes consideration of alternative program delivery methods that decrease program risk and address administration efficiencies.

Internet Services paid for by the landlord: We believe this should be, "at no cost to the tenant". There are now numerous internet services that are supported for low income tenants, but paid through other programs. As a developer, we would seek to take advantage of these opportunities.

NIFA will continue to evaluate these criteria, but no change is proposed at this time. If such a program is available to tenants, an Owner can submit that information to the NIFA Compliance Department.

Kathy Mesner – Mesner Development

Family Housing: The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. There are a couple reasons many communities across the state don't have affordable family housing. One reason affordable homes are being occupied by seniors who have no place to downsize. Another reason is that people are buying up everything on the market and renting out family homes to anyone because there are no other rentals on the market. Recommendation is to get rid of the 2 points for family developments and maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2- and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point

Small Community: Recommend leaving the points for smaller communities in place, otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

NIFA is reinstating the small community points for Non-Metro areas only.

Threshold Points: Eliminating all points for threshold items is a mistake, as most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. By eliminating these points, you are denying certain projects the ability to distinguish themselves from other projects.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold .

Counties without projects: Does not believe that "Counties Without Projects" should be a part of CRANE. Most of the counties without projects have a declining population and may not be able to support the 45-year compliance period of the project. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Scoring CDBG-DR Applications: In order for developments to be competitive and use CDBG-DR funding, we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other gap financing sources and the CDBG-DR funds will go back to Washington.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Efficiency Housing Production: We need to add some efficiency points back into scoring. While it is important that we have amenities and supportive services, we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Neeraj Agarwal – Clarity Development

4% LIHTC/AHTC: Priority should be given based on whether the project would move forward. Priority should be given to projects that are not in a QCT, that are not able to secure gap financing measures. This ensures that AHTCs go to the projects that truly need this resource.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Maximum Volume Cap Allocations for AHTC/LIHTC rounds: Either change the $20 million of private activity volume cap per round to $80 million and maintain only one round in January 2022 and January 2023 to facilitate more 4% projects or hold four rounds with $20 million each.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Maximum Volume Cap for LIHTC only rounds: Change to holding four rounds with $20 million each.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

William Lukash – Omaha Planning Department

High Opportunity: The City of Omaha does not believe that driving affordable housing out of North and South Omaha will stop the concentration of affordable housing in those areas. Omaha needs affordable housing wherever it can be built. One preferred approach toward addressing the concentration of affordable housing is to require or prioritize a mix of affordable, workforce, and market rate units in housing projects. Through this model, neighborhoods can be uplifted by the arrival of higher income households who will attract banks, grocery stores, and other services greatly needed in these neighborhoods.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

Ryan Durant – RMD Group LLC

Family Housing: These points could incentivize development of unnecessary units that would cause over housing. Also, if people build 4- or 5-bedroom units then they will score well in the efficient points making these points an unfair competitive advantage.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point

Small Community: It would seem to me that taking away small community points will deter development in small communities.

NIFA is reinstating the small community points for Non-Metro areas only.

CDBG-DR Funding: It would make more sense to shift CDBG-DR funding to 4% LIHTC deals that actually need gap financing, as I think there will be limited participation with 9% rounds because of the onerous requirements of the program. If these funds don't get used, they will be sent back to Washington.

NDED Response: Both 4% and 9% application rounds are contemplated in the HUD-approved CDBG-DR Action Plan. The CDBG-DR funds must be used toward disaster recovery activities, addressing disaster relief, restoration of infrastructure, and housing and economic revitalization, directly related to the 2019.

Disaster (DR-4420). Furthermore, project construction costs funded by CDBG-DR programs must be necessary and reasonable. Applicants should verify cost reasonableness from an independent and qualified third-party architect, civil engineer, or construction manager. Monitoring and compliance are critical to successful implementation of the CDBG-DR program to ensure the program is carried out in accordance with state and federal requirements, this includes a review of subrecipient capacity and performance. Subrecipients will undergo

regular auditing to ensure that the program's policies and procedures are being followed appropriately.

Ryan Harris – Midwest Housing Equity Group

4% Private Activity Bond Cap: On the open call on October 5, 2021, the Private Activity Bond Cap for 4% LIHTCs was $40 million but the draft QAP indicates $20 million.

The Private Activity Bond Cap for 4% LIHTC/AHTC should have been $40 million, not $20 million.

4% Bond Application Deadlines: The application due date for 4% LIHTC with AHTC is due approximately 5 weeks after the QAP would go final. This is a very short amount of time to respond to the needs and goals of the QAP.

NIFA will move the 4% AHTC application round into 2022, with a 4% LIHTC only round now occurring in late 2021.

CROWN: CROWN projects are no longer able to compete with other projects electing to extend their compliance period.

NIFA will allow CROWN projects to request points for the Right of First Refusal.

Supportive Services: Supportive Services are still low impact to score or they are high cost burden to the projects, which forces projects to raise rents on the residents to pay for the services. Suggest a reduction in the maximum points available for supportive services.

NIFA is reducing the maximum number of points from six (6) to four (4) with at least one supportive service being offered in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two points or higher.

Re-syndication: Does the rule about no re-syndication of projects before year 20 of their existing LURA include older projects or just projects going forward?

The changes to re-syndication will be in effect for development applications applying under the 2022-2023 QAP.

Rehab Efficiency Metrics: If there aren't at least 4 rehab applications, prior years will be used to come up with efficiency metrics. Will these metrics affect the maximum eligible credit requests on these projects? We would suggest an inflation factor be included based on CPI or other inflation index to account for increasing costs, or decreasing costs, over the prior years.

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Small Community: Deals in small communities typically have few units than deals in urban locations and therefore small community deals generally score lower in the efficiency categories compared to the competition. With the implementation of the High Opportunity section for Metro only and removing small community points, this will affect the rural deals and request restoring the small community points.

NIFA is reinstating the small community points for Non-Metro areas only.

9% Rounds: MHEG viewed 2 rounds as beneficial because it gave projects that were not funded in round 1 the opportunity to make improvements to their applications for round 2. There is concern with 1 round, that NIFA will be forced to award deals that either shouldn't be awarded or could be improved before applying a second time.

NIFA will continue to evaluate the application process, but no change is proposed at this time.

<u>Efficiency Housing Production:</u> The proposed change to score efficiency points based on total development costs per unit rather than eligible basis per unit will have unintentional consequences of incentivizing larger deals.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Teresa Kile – White Lotus Group

<u>General Comments:</u> When modifications are proposed for the Qualified Allocation Process are there measurements in place to monitor the impact of the change? For some of the proposed changes, the impact may not occur for 15, 30 or 45 years. Could developments be held hostage to long term commitments that may cause functional obsolescence?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>Architect and Developer Fees 4%:</u> The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>CRANE Application Process:</u> Competitive submittal and award dates are listed in the Housing Credit Allocation Plans. Could CRANE submittal, review and NIFA's response dates also be listed as part of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC & AHTC?

NIFA accepts CRANE applications monthly, due to the monthly review of CRANE applications the schedule for submittal, review and NIFA's

response dates are all tentative. The tentative dates for 2022 and 2023 will be posted on [www.nifa.org.](http://www.nifa.org)

<u>Architect and Developer Fees 9%:</u> The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>Carryover Allocation and 10% Test:</u> In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would it not be best to avoid revocation of credits if the NIFA deadline for the 10% test could align with the Section 42 deadline which is within one year of an executed Carryover Agreement?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

<u>Compliance and Extended Use Period:</u> If applicants are choosing additional points for longer compliance periods or for waiving the Qualified Contract, should the proforma's of these applications also demonstrated that they are financially feasible for the time periods chosen?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

If the GP of a development is a non-profit organization and the development is transferred out of the LLC and to the GP at the end of 15 years for tax purposes, does that language as written in the application exclude the nonprofit GP from requesting a Qualified Contract in the future?

No, if the GP is exercising a Right of First Refusal, the Qualified Contract option is not waived, unless the development received points to waive

the Qualified Contract or has committed to a longer affordability period, making the Qualified Contract option available at a later date.

Right of First Refusal: If a nonprofit will be the General Partner of an LLC or LP, are they considered affiliated with a for-profit organization and unable to receive points in the Right of First Refusal?

No, the non-profit General Partner may be offered the Right of First Refusal and obtain points for this commitment.

Family Housing: Should there be measurements in place to ensure that 4 or more bedrooms are being utilized by households with 4 or more persons residing in them?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Density: With the cost of land rising, is density configuration adding unnecessary costs to a development?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Carryover and 10% Procedures Manual: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would changing the 10% Test deadline to align with the Section 42 rules and regulations allow developments additional time to meet the requirement?

As NIFA continues to evolve our Qualified Allocation Plan, questions such as this will be considered.

Todd Lieberman – Brinshore Development, LLC

Concerted Revitalization Effort: Adding a category for concerted revitalization effort as a point for point compendium to opportunity areas, would help to incentivize projects in cities that are meeting clear public policy objectives.

NIFA is reducing the high opportunity indexes to one (1) point in each index area. The overall category maximum point value will be three (3) points. NIFA is increasing the QCT points available when submitting a Concentrated Community Revitalization plan from one (1) to two (2) points, with one (1) additional point available if the development is also part of a neighborhood redevelopment plan or participating in a Choice Neighborhood program.

CDBG-DR Funding: Efficient housing production analysis should take into account the increased costs of Davis-Bacon requirements.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in prior applications.

4% LIHTC/AHTC: Adding an explicit preference for public housing transformation in 4%/AHTC would be very helpful for large scale Choice Neighborhoods.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

CRANE: Add mixed income public housing redevelopment as an eligible CRANE project.

NIFA has added language for Choice Neighborhood programs to be eligible under CRANE.

4% and NDED funding: Can you apply for both 4%/AHTC and 4%/NDED in the same round?

NDED Response: With respect to CDBG-DR, NDED will leverage CDBG-DR funding with Nebraska's other housing programs, including LIHTC, HOME, HTF and NAHTF dollars. As with any application for funding, DED

seeks to ensure the most appropriate resource is paired with the project need and outcome. Technical assistance is expected to facilitate this effort. Furthermore, because the federal regulations associated with CDBG-DR may not be able to assist all flood-impacted households (e.g., unable to meet the income requirements), the 2021 NAHTF application cycle prioritized projects that served flood-impacted areas, addressing unmet housing needs that cannot benefit through the CDBG-DR program because of the more restrictive income requirements.

However, HOME and HTF Programs are only used in conjunction with the 9% LIHTC application.

2022/2023

Housing Credit Allocation Plan for 9% LIHTC and AHTC

Written Public Comments

From:	Outreach
To:	Robin Ambroz; Sara Tichota; Pamela Otto
Subject:	FW: HIGH OPPORTUNITY ZONE POINTS
Date:	Wednesday, October 13, 2021 9:41:25 AM

I'm assuming this comment is in regards to the QAP. If I'm incorrect and it should be for something else, please let me know.

Thank you!

Susan Pulec
Outreach & Community Development Administrator
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.0970
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

From: Angela Kamau-Watson <Angela.Kamau-Watson@nifa.org>
Sent: Tuesday, October 12, 2021 9:24 AM
To: Outreach <Outreach@nifa.org>
Subject: FW: HIGH OPPORTUNITY ZONE POINTS

From: CURRY BRANDING <currybranding@gmail.com>
Sent: Friday, October 8, 2021 9:53 AM
To: Info <info@nifa.org>
Subject: HIGH OPPORTUNITY ZONE POINTS

In my opinion by not incentivising Affordable Housing Development in North and South Omaha, you are contributing to Gentrification and you would be placing Tenants of Color in hostile conditions, ex. "You are not welcome here!"; given the current state of race relations.

With Appreciation,
DON CURRY

Click here to report this email as spam.

Public comments on the 2022 – 2023
NIFA LIHTC Qualified Action Plan and
Low Income Housing Tax Credit Application
Submitted by Excel Development Group

My name is Chris Lenz and I am the Development Director for Excel Development Group for the State of Nebraska. Excel Development has developed and managed Low Income Housing Tax Credit projects in Nebraska for over 25 years. We currently have 10 projects located in the cities of Lincoln and Omaha with 344 units under management in both communities.

I would like to address the proposed Metro Only Areas of High Opportunity addition to the Tax Credit application for 2022 and 2023. Based on the attached map most all of the North and South Omaha neighborhoods would receive zero (0) points out of a potential four and a half (4.5) points for a proposed housing development, either senior or family. This is also true for locations in the downtown Lincoln neighborhoods which include from 1st Street to 27th Street and from Van Dorn to the north edge of town. The application does retain the ability to obtain one (1) point for a development located in a Qualified Censes tract.

Most all of the developers in this room today have lost out on receiving funding by one point or less. With that being said, this new scoring section is basically driving developers away from areas in our state that need new, safe and affordable housing. I simply cannot leave 4.5 points on the table by submitting an application in a neighborhood that will not receive any High Opportunity points. With this change I am being forced to look to the outlying suburbs for my next development.

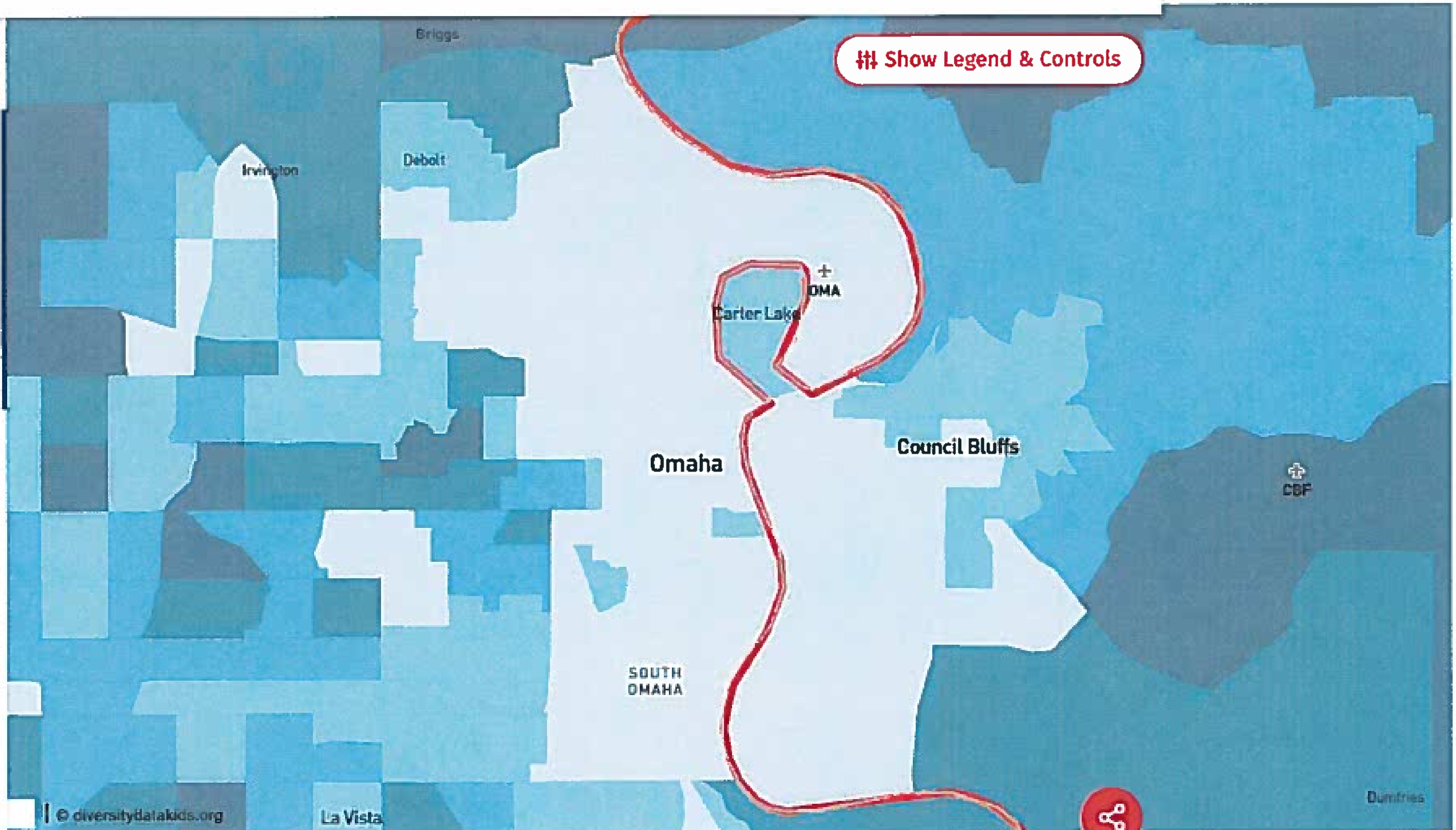
Although I somewhat understand in theory the motivation behind this change, specifically putting affordable housing in neighborhoods with "better schools, better access to jobs, transportation and health care," you are basically saying that for the next two years there will be no new affordable housing built in north and south Omaha and certain parts of Lincoln. Excel Development Group has previously worked with Bishop Joseph Shannon and the Greater St. Paul Church on multiple developments in north Omaha. I am also currently working with Pastor Ralph Lassiter with the Mount Moriah Baptist Church and received a LIHTC award this year for Moriah Manor, a 40-unit senior apartment building located at North 24th Street and Ohio. This project is located in a QCT and is an integral part in the City of Omaha's Forever North Redevelopment plan. The Planning Department of the City of Omaha has done a stellar job in planning the revitalization of these neighborhoods and new affordable housing is an integral part of those plans. The Moriah Manor project was designed with the help of Pastor Lassiter, who specifically wanted to develop a senior project because he knows that seniors want to remain in the neighborhoods that they have called home for the past 50 years. This point change eliminates this opportunity.

The unintended consequences of this point change are numerous. In the "High Opportunity" neighborhoods I will be looking at paying for land at a cost five to ten times greater than I would pay elsewhere. If I need to go through the rezoning process my experience tells me I will undoubtedly face a backlash of NIMBYism and opposition. Residents of north and south Omaha and Lincoln are being told that redeveloping their neighborhoods are less important than building new projects in the suburbs.

If you are set on leaving this point option in the application, I would ask you to consider the following. One, raise the QCT points from 1 to 4.5 to offset the change and allow developments to be funded in neighborhoods that need housing the most. Two, raise the points for a senior project from 2 to 4.5 to allow residents to remain in the neighborhoods they have lived in all of their lives. This option would allow the possibility for seniors to have safe, decent affordable housing while remaining in their own community and still promote family and multi-family development in the "High Opportunity" neighborhoods in our Metro cities. I believe these options still allow NIFA and its Board to achieve the goal of locating affordable housing in high opportunity areas, and at the same time provide housing for all ages and types of families.

Search for a location (address, city, or state) Menu

Location Details



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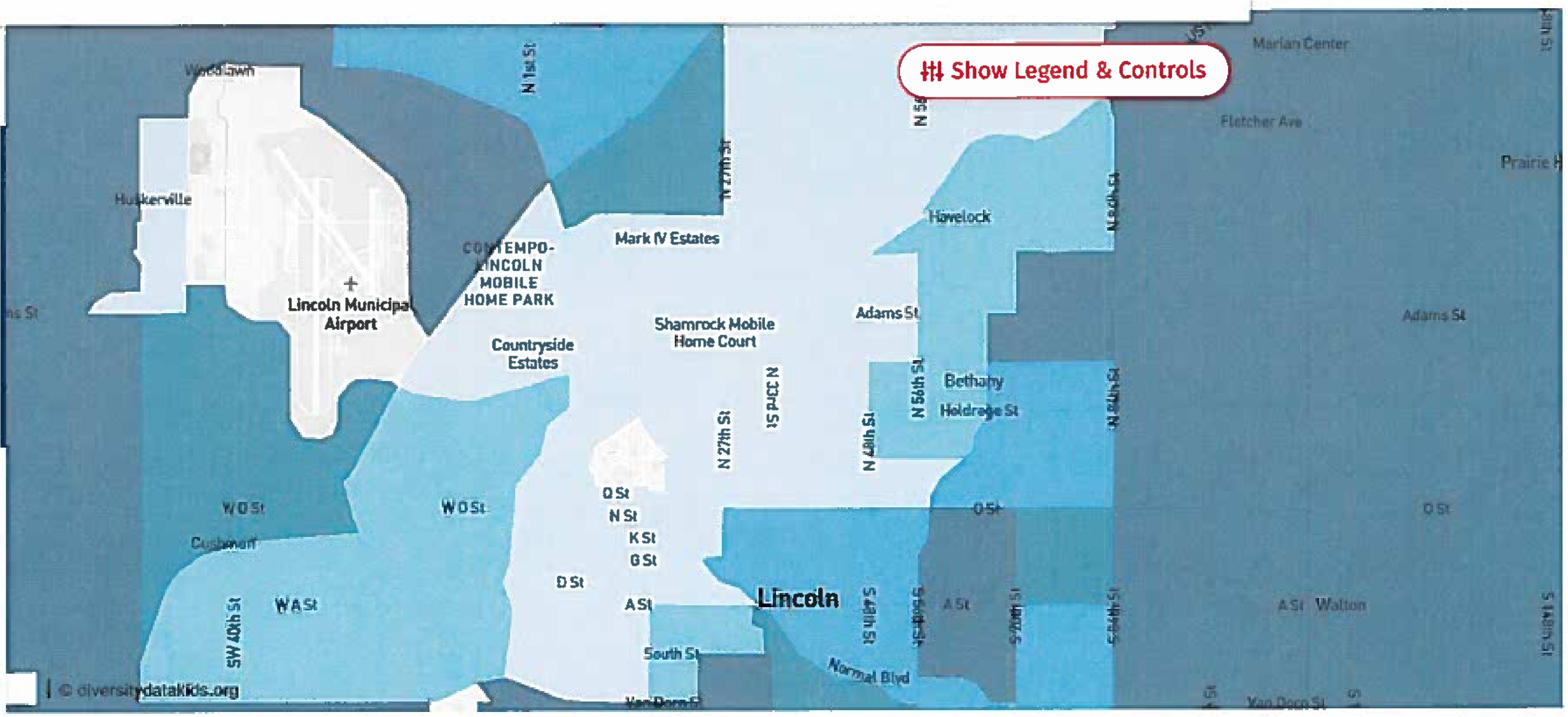
Location Details



☐ Monthly nutrition education classes (2 points)
☐ Onsite licensed childcare with enrollment fee waived for tenants of the development. (3 points)
☐ Weekly tutoring services for students (3 points)
☐ Weekly after-school enrichment program (3 points)
☐ Quarterly financial literacy classes for youth (2 point)
☐ Other services offered annually, subject to NIFA's approval. Please list _____ (1 point)

Note: The "other" category for supportive service cannot be listed under any other exhibit and receive dual points in two categories. The supportive services must be available to all tenants residing in the development and not targeted to a certain group.

METRO ONLY

AREAS OF HIGH OPPORTUNITY:

NIFA will use data from Diversitydatakids.org to identify areas of high opportunity in three indexes, including 1). Education, 2). Health and Environment, and 3). Social and Economic. Data is available for each census tract with a rating of very high opportunity to very low opportunity in each index. Points will be assigned to each applicant for the respective ratings as outlined in the following table for the categories listed below:

Rating	Score
Very Low	0 points
Low	0 points
Moderate	.5 points
High	1 point
Very High	1.5 points

NIFA will score each index as compared to the State based on the most recent ratings as published above for the census tract of the proposed development:

Education: _____

Health and Environment: _____

Social and Economic: _____

Index ratings can be found at:
https://www.diversitydatakids.org/maps/#/explorer/0/15/10,15//xe/s/1.0.14/41.136/-98.729/7.39/

LIHTC SET-ASIDE CATEGORIES:

Applicant is requesting LIHTC from one of the following categories: ☐ For-Profit ☐ Non-Profit

Name of Non-Profit: ______________________

*If Non-Profit is selected, please complete **Exhibit 3**.*

NOTE: If a development is requesting an allocation from the non-profit set-aside, the nonprofit organization must have an ownership interest in the low-income housing development throughout the 15-year Compliance Period and materially participate in the development and operation of the development.

Applicant is requesting LIHTC from one of the following categories: ☐ Metro (MSA) ☐ Non-Metro

Applicant is requesting LIHTC under the CRANE Program? ☐ Yes ☐ No

(If "Yes", a CRANE application must be submitted and the development will be assigned a CRANE category designation prior to the submittal of the Application.)

Please check the eligible development type:

☐ Special Needs Population: Identify population _____

☐ Native American Housing ☐ Adaptive Reuse ☐ Response to settlement agreement

☐ Housing in a county without a LIHTC development ☐ Reentry Housing

☐ Response to Presidential Disaster Declaration

QUALIFIED CENSUS TRACT/DIFFICULT DEVELOPMENT AREA:

Is the proposed development located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA)? ☐ Yes ☐ No **(1 point)**

Census Tract Number: _____ Difficult Development Area: _____

NOTE: The Basis Boost for QCT's or DDA's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

*Developments in a QCT may be eligible for up to 1 point if the development directly contributes to a Community Revitalization Plan. Applicants must submit a letter (dated within one (1) year of the applicable final application deadline) from the highest governmental body stating that the development contributes to a concentrated Community Revitalization Plan, specifying the name of the plan and the name of the development (indicate the page number of the Community Revitalization Plan that pertains to the proposed development)along with a copy of the Plan as **Exhibit 211**.*

DRAFT

QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS BY COUNTY: Following are the Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42.					
Douglas	3.00	4.00	6.00	7.00	8.00
	11.00	12.00	16.00	19.00	20.00
	21.00	23.00	24.00	26.00	27.00
	27.00	29.00	31.00	32.00	33.00
	38.00	39.00	40.00	42.00	49.00
	50.00	51.00	52.00	53.00	54.00
	58.00	59.01	59.02	60.00	61.01
	61.02	63.01	63.02	63.03	65.06
	66.03	68.06	71.01	73.12	
Lancaster	3.00	4.00	5.00	7.00	8.00
	17.00	18.00	19.00	20.01	20.02
	21.00	27.01	31.03	33.01	
Adams	9661.00				
Buffalo	9695.00	9696.00			
Dakota	101.00				
Dodge	9644.00				
Gage	9651.00				
Jefferson	9638.00				
Madison	9607.00				
Scotts Bluff	9537.00				
Thurston	9401.00	9402.00			
DDA (ZIP Code)	68133				

DRAFT

HOPPE
DEVELOPMENT

October 7, 2021

Nebraska Investment Finance Authority
c/o Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508

RE: 2022/2023 QUALIFIED ALLOCATION PLAN COMMENTS & FEEDBACK

Dear Sara –

Our initial critical concern is that the timing of the 2022 4% applications is insufficient to effectively respond to the priorities outlined in the new QAP. Assuming the QAP is adopted, with some adjustments, at the next board meeting, we would essentially have 6 weeks to create a project and assemble a pre-application. Given the large re-prioritization with regard to location and project orientation (e.g. emphasis on family and child welfare), we would request additional time to ensure that projects proposed are able to reflect these new priorities. Pushing the timing back 6 to 8 weeks will enable us to create a comprehensive response that clearly reflects these priorities.

There is much to applaud in this new QAP, which we believe strengthens the affordable housing program. Specifically, we believe the following measures will create a much stronger project portfolio.

- Metro versus Non-Metro: Removing the competition from Metro and non-metro ensures clarity in how projects will be scored, distribution of projects in the state, and sets up the opportunity to tailor applications to be most appropriate for the communities they serve.
- Rule regarding a $500,000 financing gap: Creating this rule will ensure feasible projects that are executable as well as ensure reasonable requests for DED or other funding.
- Strengthening the oversight of the non-profit for ROFR: This change is a positive step to ensuring that non-profits are independent and represent a housing interest, as opposed to an extension or tool to secure awards.
- Reduction of Emphasis on Preservation and Increase in Time to 20 years: This step helps orient toward new construction of units and removes adverse incentives to resubmit deals for the purposes of supporting development fees.
- Family Development Category: This change will incentivize the development of family-appropriate housing which, which we think is laudable.

5631 S 48th St, Suite 220 | Lincoln, NE 68516 | (402) 489–1600 | info@hoppedevelopment.com

- Points based on the Children's Diversity Index: This change will incentivize placement of projects outside of historically high poverty neighborhoods.
- New efficiency point scoring: The change to efficiency points based on total development costs, instead of eligible basis, will encourage mixed use developments and removes incentive stacking as a mechanism to strengthen the appearance of efficient development.

We have the following concerns.

- Supportive Services: The supportive services as defined are highly proscriptive and do not adapt to the flexible scenarios that may be encountered, especially in Western Nebraska, where the delivery of on-site services may be challenging, and many off-site delivery methods have become accepted. Further, there is no suggestion that they support an evidenced-based intervention with any desired result. We believe that the developer should focus on the built environment, and if there truly are services best delivered by the landlord supported by evidence to enhance the target residents, these should be defined and proscribed.
- Management Experience: We are concerned about the certification of experience, as well as the sheer number of points in this category. It does not appear clear that these points will distinguish between two organizations with many projects, one which has managed them well, and one that has managed them poorly. They both seem that they would receive the maximum number of points.
- The QAPs retain a prioritization for housing typology that reflects a rural or suburban typology, and is not reflective of the "missing middle" housing typologies that have frequently been referenced as critical to include in the housing stock. The two story, individual entrance limitations remove significant design creativity. We have seen no evidence that these design constraints produce any particular outcome with regards to housing. Further, this prioritization within the 4% AHTC it is not responsive to the use and need of 4% bonds with AHTC to build denser multifamily projects.
- Small Community Points: We are concerned that the removal of the small community points will eliminate tax credit projects in communities of <5,000 residents, and virtually eliminate them for all but ~10 - 12 communities state-wide.
- The 4% QAP allows one project to have up to $18 million in bonds which effectively consumes all of the allocation. If only $20 million in bonds is given, then there should be a limit in amount so more than one award may be given or, alternatively, change the language to allow more than $20 million at the discretion of NIFA in order to award more than one project. There is sufficient limitation in “one award per county” to keep to manageable AHTC.

Areas for Additional Clarity

- While the 4% AHTC QAP clarifies that efficient housing production points will only be utilized in the event that multiple applications are received for a single county, it does not specify how they will be utilized. Will they be a tie breaker? Will they be added to the total number of other points?
- We are concerned about the certification of experience of the applicant and the management company and how these point are earned.
- How could we ensure a non-profit partner was adequate or approved? Will NIFA provide that feedback?
- Efficient Housing Production: Could we get confirmation of the exact calculation methodology? Specifically, is it total development cost - land divided by total units, or total LIHTC units?

- Is there a reason a nonprofit needs to be involved for DED funding? It is now passed directly to the developer.
- Internet Services paid for by the landlord. We believe this should be, "at no cost to the tenant". There are now numerous internet services that are supported for low income tenants, but paid through other programs. As a developer, we would seek to take advantage of these opportunities.

Thank you for your consideration.

Sincerely,

Hoppe Development

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Testimony for Public Hearing on NIFA's 2022-2023 QAP-October 8, 2021

Delivered by Kathryn Mesner---- Mesner Development Co.

I want to thank you for the chance to speak today and in past forums. I do regret not having the chance to meet directly with the board of NIFA. I am disappointed the direction that has been charted with this QAP because I do not think it represents the true state of housing needs in large parts of the state and it is not going to make the best use of the few tax credits we receive in the state. I realize I am biased toward Rural areas but I think much of what I am going to say pertains to the whole state. Thank you to the board members who attended or listened in.

Emphasis on larger units

The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. I can't tell you how many times a year I am invited to communities to listen to the presentations of their new housing studies. When I do this, I hear the same story from each community..."our families don't have housing, there are no homes on the market, we need to build affordable family homes". The conclusion that many draw without looking at the data more closely is that the town needs to build conventional family housing, the kind "Ozzy and Harriet" used to have. This is not really what most studies show.

There are a couple of reasons why most communities across the state don't have homes for families available for rent or purchase. The biggest reason is that all the affordable family homes are occupied by seniors who have no place to downsize. The other reason is that we have a lot of people across the state that have learned if they buy up everything on the market, they can make money by renting out the family homes to whoever comes to town because those are the only rentals available. Single teachers or nurses or persons that work at the grocery store or quick shop end up renting 3-bedroom homes instead of one-bedroom apartments because they don't have other options. Seniors don't sell their homes because they don't have another affordable option. To make matters worse the senior group is much larger than any other group of persons within most of our communities. There are too many in the "baby boomer" bubble for the housing options we currently have available in most areas of the state. If you don't believe what I am saying I am attaching an interesting report from Minnesota that describes this problem in more detailed terms.

This report also points out that, the longer seniors stay in their family home, the less they are able to care for those homes. So, if we want to rescue and salvage these affordable family homes, we better find a way to provide quality affordable housing options for seniors and other small households as soon as possible.

It doesn't matter if it is Valentine or York, until you build affordable options for seniors and other small households you are never going to free up the affordable family housing available in communities. I understand everyone wants to see new 3-4-5 bedroom homes occupied by families, but using this program for that purpose is bad decision making for a couple reasons. Two wage earner families seldom qualify under tax credit rules because they make too much. One wage earner families seldom can afford even tax credit rents and utilities for larger more expensive family units. Without significantly more rental assistance these larger units are hard to rent. In addition, today's construction costs clearly make it a bad decision to use our very limited resources on larger units that will drastically reduce the overall number of homes we are able to build statewide. This should be a big red flag to everyone.

The good news is, we can use the LIHTC program to build housing that will benefit the low-income households it is intended to benefit while still helping to address the affordable family home crises our communities are experiencing. If we use LIHTC to build a larger number of less expensive smaller units that give seniors and smaller households the type of downsized housing they need, they will move out of older family homes and we can start to better address multiple housing needs. About 60% of the tenants moving into our LIHTC units moved out of affordable larger family housing units.   These are generally seniors.

We do not need to restrict LIHTC to senior housing but under no circumstances should we be de-valuing it in our QAP. Smaller one, two and three-bedroom units are more cost effective to build, easier for tenants to afford, and make the best use of our limited LIHTC resources.

My recommendation is to get rid of the 2 points for family developments. I would maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2 and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

Points for Small Communities

I also would recommend we leave the points for our smaller communities in place. These points were put in the QAP to give small communities a chance to compete. I would guess that many of you think by adding a non-metro set aside we are evening things out for everyone outside the immediate Lincoln and Omaha areas. This is not true. Smaller towns have fewer material suppliers, contractors, and local resources. They are simply harder to build in. The non-metro set aside may help the fact that we only funded 24 new units west of Lincoln last year, but it isn't going to help Fullerton, Nebraska compete for a project. We need to keep the 2 points for smaller communities. Otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

Eliminating points for Threshold Items

I am concerned about the changes that have taken place to our QAP which squeeze down the total number of points that will be used to determine what is awarded credits. Eliminating all points for threshold items is a mistake. Most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. These have always been distinguishing factors among projects. Eliminating these points assumes all projects are equally likely to proceed. We all know this is not true. When you squeeze point categories where projects are not always equal you are denying certain projects the ability to distinguish themselves from other projects.

Counties Without Projects

I don't believe we should make "Counties Without Projects" a part of CRANE. Most of the counties that do not have projects have declining populations and may very well not be able to support LIHTC projects for the 45-year compliance period that these projects promise. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

Scoring CDBG-DR Applications

If we are going to be able to use the CDBG-DR funds for GAP financing we need to be able to use them with tax credits. In order to be competitive for tax credit scoring it seems we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other GAP financing sources. The result is that we will expend our other funds and the CDBG-DR funds will go back to Washington.

Efficiency Points

We should add some efficiency points back into our scoring. While it is important that we have amenities and supportive services we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

Stretching our resources as far as possible, making them accessible to all parts of the state, and serving the greatest number of households should always be our priority.

Thank you.

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The workforce housing shortage: Getting to the heart of the issue

April 2018

By Kelly Asche, Research Associate

To read this report online, visit our website at www.ruralmn.org.

Providing housing for a community or region's population is complex and dynamic. A healthy housing market should be able to provide housing for most people and their diverse needs through a combination of natural churn and new construction.

In rural areas, however, economic and demographic forces are at work creating a housing shortage that many communities say is keeping them from attracting much-needed new workers.

But while hundreds of for-profit, non-profit, and government organizations are doing great work around Minnesota to untangle these housing issues, the housing shortage is complex and not well understood by people outside the housing field. This report looks at two major factors as to why the housing market isn't naturally providing the housing needed in many rural communities:

• The considerable increase in construction costs that are pricing younger families out of the market for starter homes and skewing the market in strange ways; and

• The relatively higher percentage of seniors living in rural communities, which, combined with their desire to age in place, the emphasis on helping them do so, and the lack of assisted living facilities in rural communities, is causing not only a bottleneck in houses coming on the market but also increasing the likelihood that the amount of dilapidated housing will increase in the future.

It is important to note as well that not all rural areas are facing housing shortages. This issue is limited to regions where economic activity is growing and where new workers are needed to fill an aging workforce, which is a large segment of Greater Minnesota, but not everywhere. Some rural areas are also facing related housing issues such as vacant housing and/or severe dilapidation of their housing stock, but these are not covered in this report.

Who needs housing?

An increasing number of job vacancies (Figure 1) have employers demanding an in-migration of workers, and they are blaming the lack of appropriate housing as a significant reason for why they can't attract more workers. At the same time, rural development organizations across Greater Minnesota are feeling the pressure to add more housing to attract these new workers and new, "younger" families.

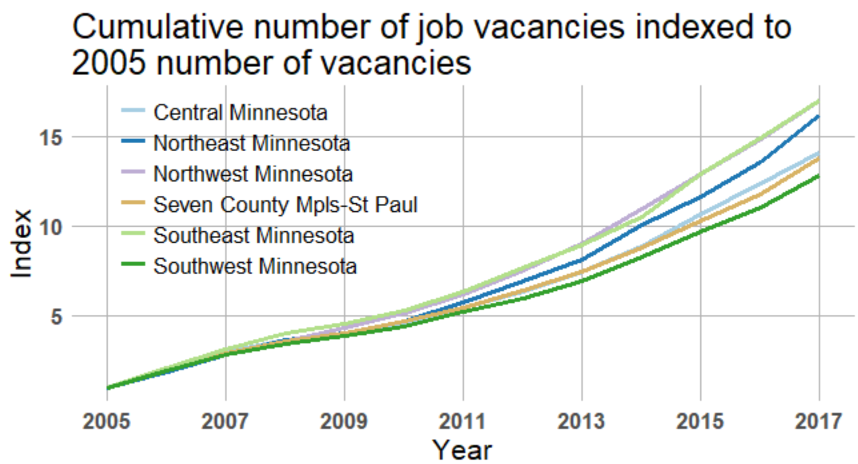

Figure 1: Since 2005, most of the non-metro regions have shown faster growth in job vacancies than the Twin Cities area. The job vacancy index provides a way of measuring growth by dividing the accumulated number of job vacancies by the number of job vacancies in 2005. (Data: MN DEED)

It might be difficult to believe that places with small increases in their population or overall declines would need new housing. However, population and housing are not as closely linked as one might expect. Families are smaller today than they were decades ago, but that doesn't necessarily equate to fewer households. Table 1 shows that for even our most rural counties (for the definitions of these categories, see the appendix titled "Definition of Four County Categories"), there has been an increase in the number of households despite a 21% drop in population since 1970. The table also highlights the growth in the number of households compared to population in other rural county types.

County group	% change in households	% change in population
Entirely rural	9%	-21%
Town/rural mix	50%	12%
Urban/town/rural mix	73%	31%
Entirely urban	106%	62%

Table 1: Percent change in households and population by county group, 1970–2016. (Data: Decennial Census & ACS 5-year)

Adding pressure to this issue is the migration trend of middle-age householders moving to rural areas in search of more affordable housing. Rural areas tend to see an in-migration of households in the 30- to 49-year-old age group, a trend that's typically overshadowed by the larger out-migration of 20- to 29-year-olds. But research by the University of Minnesota Extension's Center for Community Vitality shows that a significant contributing factor in choosing to migrate to rural areas has been to find more affordable housing.[1]

Appropriate housing tied up with older households

A healthy churn in housing is a necessary part of a community's ability to meet the social and economic needs of its members. Not every household moves, of course, but there are life-stages when a move is more likely: beginning employment, career changes, children being born or leaving the house, growing old, and/or due to health concerns. At different stages of life, householders often either choose or are forced to leave behind their current housing, freeing it up for those who need and can afford it (Figure 2).

Age: 20s 30s 40s 50s 60s 70s

Housing Cycle:	Single- or multi-family rent	Single-family own	Upgrade	Downsize	Assisted living
New Units Built:	Multi-family rentals	Starter homes	Larger homes	Townhome units	Assisted living units
Old Units Left Behind:		Multi-family rentals	Starter homes or older, single-family houses	Larger homes and older, single-family houses	Townhome units, larger homes, single-family homes

Figure 2: The housing life stages in an ideal housing market. At each point in a family's life cycle, new units are built to meet their demand while their old units are left behind for the next set of buyers. (Source: U of MN Extension | Center for Community Vitality - Ben Winchester)

In rural areas, however, older households tend to move less (Figure 3), while at the same time they represent a larger percentage of total households (Figure 4).[2] In addition, the longer elderly householders stay in their homes, the more likely it is for their homes to become dilapidated or at least not kept up to code, often because the elderly homeowner is unable because of income or health or both to make the necessary improvements.

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1 http://www.extension.umn.edu/community/brain-gain/

2 For information on the geographic breakdowns of these charts, read the appendix titled "Definition of Four County Categories".

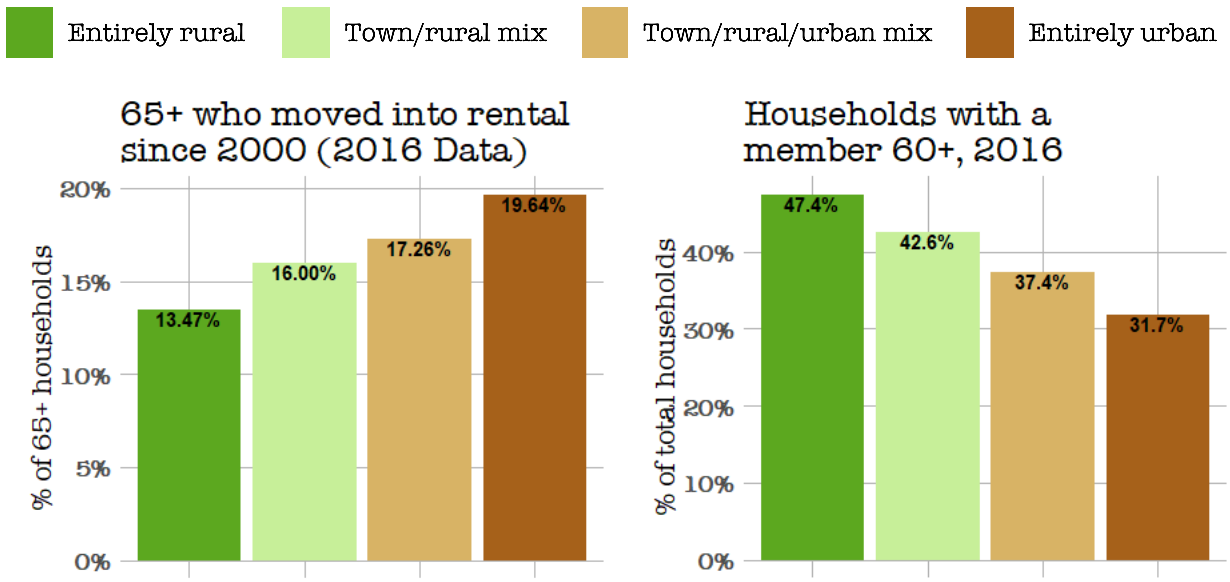

Figure 3: Households 65+ in rural areas are less likely to have moved into a rental unit within the past 15 years compared to urban areas. This can limit the amount of housing available in a community. (Data: ACS 5-year)

Figure 4: The percentage of households that have someone living with them aged 60 years or higher is higher in rural communities. (Data: ACS 5-year)

This lack of movement among older households creates something of a domino effect in the rural housing stock, freeing up fewer single-family homes for the new workforce and resulting in a shortage of housing across the entire life-cycle spectrum (Figure 5).

Age:	20s	30s	40s	50s	60s	70s
Housing Cycle:	Single- or multi-family rent	Single-family own				Assisted living
New Units Built:	Few multi-family rentals	No starter homes built	A few larger homes	Few townhouse units		Few assisted living units
Old Units Left Behind:		A few multi-family rentals	A few older, single-family houses			

Figure 5: The housing life stages as they exist in many rural communities today. (Modified source: U of MN Extension | Center for Community Vitality - Ben Winchester)

The data is beginning to show evidence that this lack of housing churn in rural areas is tightening both the rental (Figure 6) and for-sale home market (Figure 7).

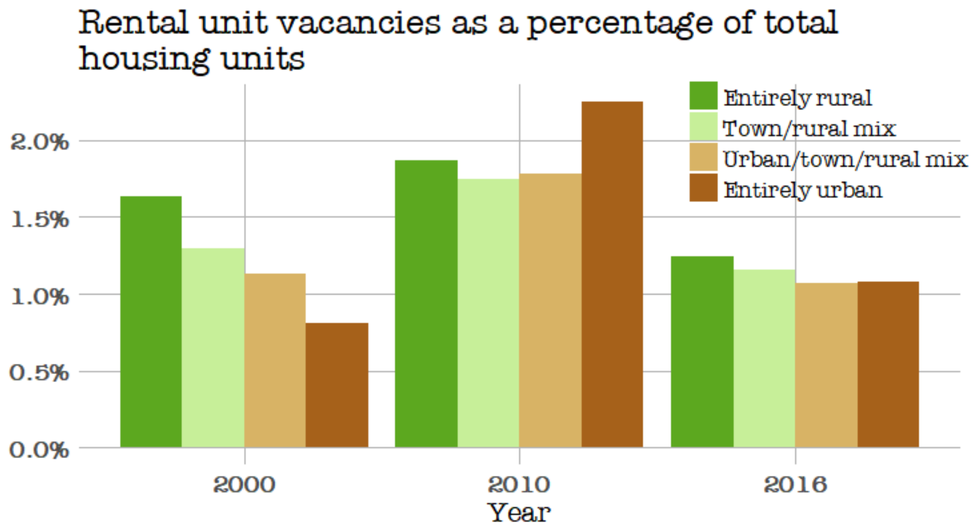

Figure 6: Rental vacancies as a percentage of total households is currently lower than it was in 2000 in rural counties. (Data: Decennial Census & ACS 5-year)

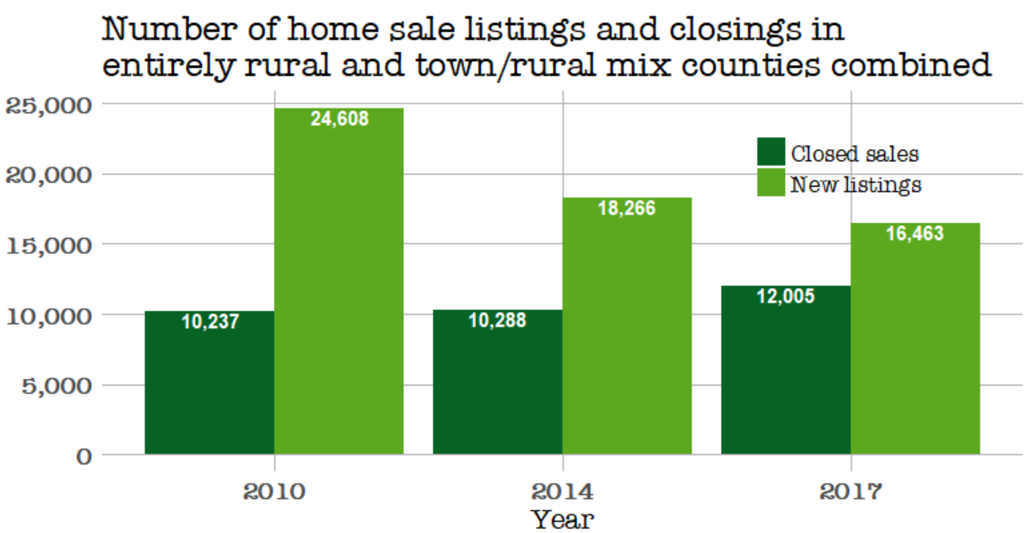

Figure 7: The number of home sale closings in entirely rural and town/rural mix counties have increased since 2010, yet the number of homes listed for sale has decreased. (Data: Minnesota REALTORS)

Increasing costs of construction

Despite growing pressure on community leaders to rehab substandard housing and/or build new units to meet demand, increasing construction costs are making both of these strategies challenging.

Housing professionals give several reasons for the sharp increase in construction costs lately:

- The increasing cost of materials;
- The increasing price of land to build on;
- The increasing cost to prep build-sites with water, sewer, and other infrastructure;
- A sluggish recovery in the number of home building companies since the Great Recession, forcing up prices for their services;
- A competitive retail construction market in larger communities that can pay more for projects, forcing up "bids";
- Labor shortages in the trades industries leading to higher wages; and,
- The increasing number and complexity of building codes.

Specific data confirming each of these reasons is limited, but employment and business data confirm a lower number of businesses and employees in the home building industry compared to pre-recession years. (See Appendix: Increasing costs to build new.)

Of course, these reasons for construction and rehab cost increases impact rural and urban areas alike, but what makes this issue uniquely rural is the impact they have on the mismatch between construction costs and home values in rural areas.

New construction "starter homes" are out of reach

Despite a demand for housing and a lack of available older housing, high construction costs are contributing to the fact that the number of housing units being built has not recovered in rural areas since 2010 and are currently about half of what they were in 2000 (Figure 8).

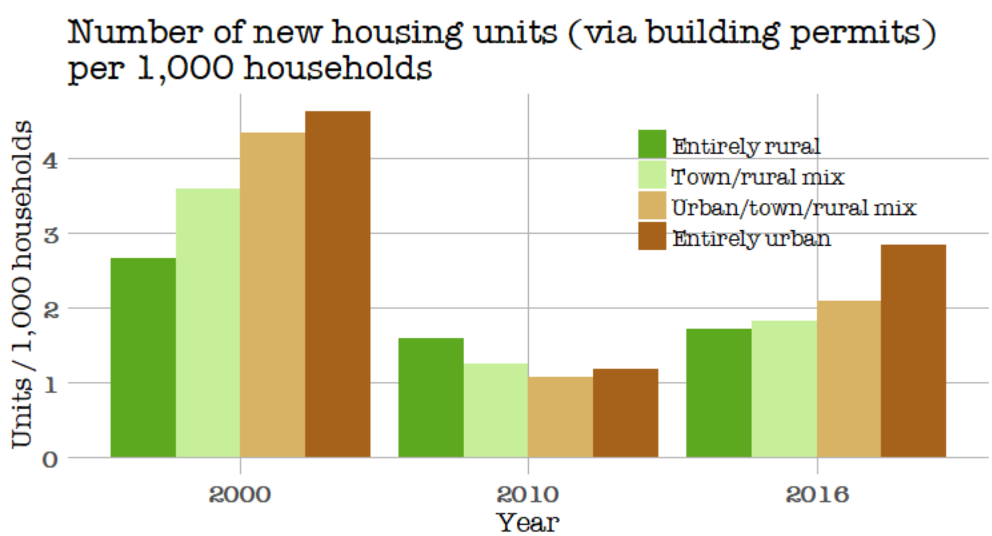

Figure 8: Estimates of new housing units are from the Building Permits Survey. To be able to compare regions, the number of housing units to be built is divided by the number of households in 2000, 2010, and 2016. The building

of new housing units has not recovered since the Great Recession and is currently about half of what it was in 2000. (Data: U.S. Census Building Permits Survey, Decennial Census, ACS 5-year)

The lack of housing development in rural areas is not due to a *decrease* in rural household incomes. In fact, median household incomes, median home sale prices, contract rents, and mortgage and homeowner costs have been *growing,* particularly in counties outside of the entirely urban counties (Table 2).

County group	Median household incomes - % change since 2000	Median home sale price - % change since 2010	Contract rent - % change since 2000	Mortgage and homeowner costs - % change since 2000
Entirely rural	51%	45%	58%	65%
Town/rural mix	42%	40%	57%	57%
Urban/town/rural mix	36%	57%	58%	52%
Entirely urban	35%	42%	52%	52%

Table 2: Percent change of median household incomes, median home sale price, contract rent, and mortgage and homeowner costs reveal that the largest increases have been outside of our most urban counties. (Data: Decennial Census & ACS 5-year, Minnesota REALTORS)

These indicators today are still 60% to 75% that of urban areas, but even though the gap has narrowed, developers are building far fewer homes in rural areas now than they were in the early 2000s, when the disparities in these indicators between rural and urban were much wider (Figure 8).

Many housing professionals have reported building costs increasing 60% to 90% since 2000, a much faster rate than incomes across the state.

Rick Goodeman, CEO of the Southwest Housing Partnership, talks about a time when they administered a program that assisted in the development of new homes in very small towns for households with incomes just above the limits required to access more traditional housing programs. These homes are typically modest in square footage and amenities but help replenish the housing stock for incoming workforce.

“In the late 1990s and early 2000s, we could work with small communities to develop new housing that cost a little over $100,000. Now, you can barely build that same house for $200,000,” Goodeman says.

In the early 2000s, Southwest Housing Partnership worked with the city of St. Peter to develop a new housing division on the edge of town called “Nicollet Meadows.” With the help of various housing finance programs, the city and SWHP were able to keep the project financially sustainable with an average purchase price for these homes of $128,010. A new and very similar development in St. Peter (same number of bedrooms and square footage) is currently priced between $197,250 and $207,500, a 60% increase in the sale price back in 2000.

One owner of a construction company in west central Minnesota says that he receives phone calls frequently from households inquiring about the construction of a new home. When they receive the estimate, they are shocked. They're hoping for something a little over $100 a square foot, but the lowest cost to build is more like $200 per square foot.

"The building of new homes has come to a halt in this area because people are priced out of the market," this builder says.

Unfortunately, the incomes needed to afford these "starter" homes are out of reach for much of the new or younger workforce. As Nick Dalton from United MN Bank in New London explains, "considering the qualifying ratios and down payment requirements for most conventional mortgage products, it is common to see household incomes fall short of what is needed to afford a starter home or a home that isn't in need of repair or improvement."

Lack of market for new construction "starter homes"

Not only are these homes out of reach for the new or younger workers, but the perception exists among households that can afford this price that it "isn't much house" for the price.

At $200,000, a new-built home would cost 50% - 90% more than the median value of existing homes in the area (Figure 9). Even if a family could afford to build a new starter home at this price, it could be difficult to convince them, knowing that they could buy one of the existing homes around them at the same price, and it would probably be larger, have more character and be in a more desirable location. And to add insult to injury, when construction is completed, the new house would likely be appraised at a lower selling price than what it cost to build.

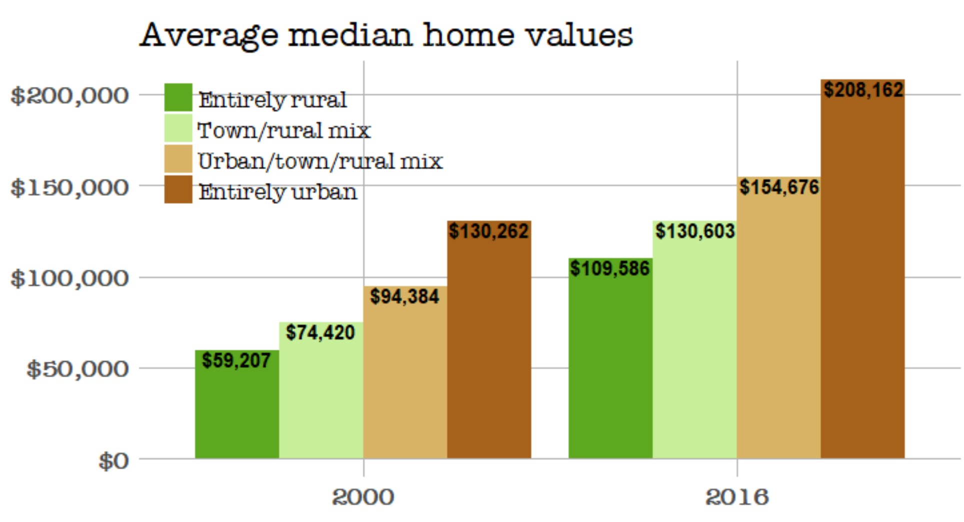

Figure 9: Home values have increased since 2000, but values in non-urban areas lag significantly, while the cost of construction soars. (Data: Decennial Census & ACS 5-year)

This leaves very few households demanding newly built starter homes and makes it challenging for developers to build these projects even in areas where there might be high demand for workforce housing.

Low rents and inability to take risk

If new workforce or younger households can't afford to build new starter homes, there is hope that building rental units, where efficiencies can make the financial model more manageable, can be a solution.

Here the issue is a bit more nuanced. In the right market with high demand where 20 or more units could be built and rented, developers sense some optimism. However, the challenge is overcoming significantly lower rents in rural areas.

Although rents in non-urban areas have increased between 50% and 60% since 2000, they lag significantly behind urban rents (Figure 10). To make these projects financially feasible, rents right now would need to be around $800 per month, which can be 50% to 100% more than current median rents in many non-urban areas.

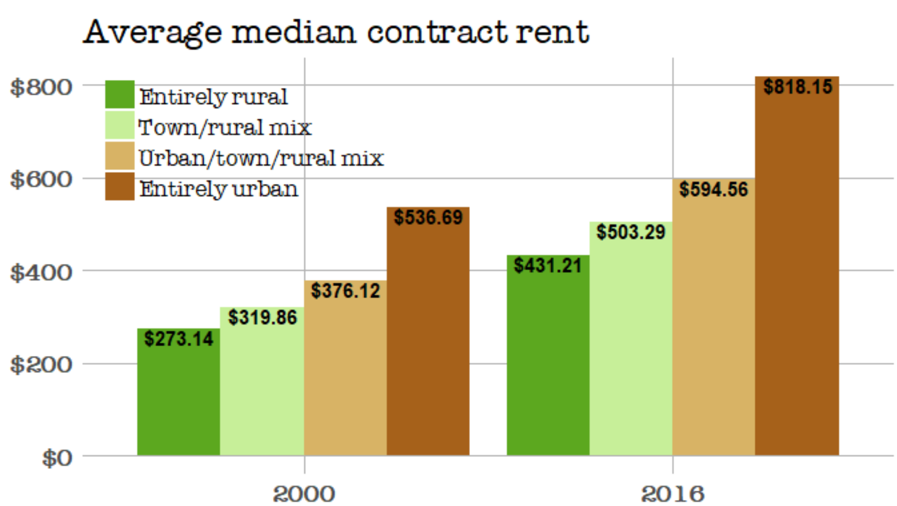

Figure 10: Similar to home values, rent paid in non-urban areas is significantly lower compared to urban rents. (Data: Decennial Census & ACS 5-year)

Some developers believe there is a market for those rent prices, but the data to prove it is mixed. Thirty percent or less of income going toward housing costs is considered the "affordable" threshold, and Figure 11 shows that some 55% of rural households are paying less than 30% of their income toward rent, including around 35% of households paying 20% or less of their income towards rent. However, given the increase in building costs in general, the rule of thumb on affordability may not be enough anymore, indicated by how many households are paying more than 35%.

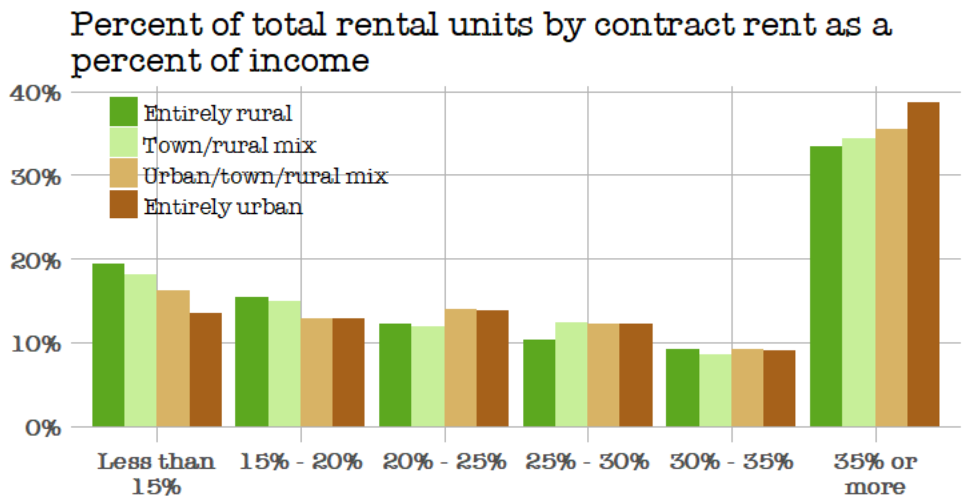

Figure 11: The percentage of households in occupied rental units paying a small percentage of their incomes in non-urban counties. About 20% of rural households are paying less than 15% of their income towards rent, but the high percentage of households paying 35% or more toward contract rent payments is concerning, leaving mixed results on whether rural areas can afford higher rents. (Data: ACS 5-year)

The lack of concrete proof of the ability to pay higher rent leaves median contract rents as the only data point, making it a challenge to convince investors that rental projects are feasible. Lenders also don't have the flexibility to provide resources when data indicate that these projects carry significant risk.

Rising construction costs impact substandard housing investments

On the other side of the coin from unaffordable housing (particularly in regions with lakes) is very inexpensive housing in various states of dilapidation.

Communities trying to attract younger families look at dilapidation as a serious problem. Younger families often don't have the means to make a large investment in fixing up a home. The smaller and more rural the community, the more limited the housing stock, and thus the bigger the problem dilapidation becomes.

Rural leaders in regions with a demand for workforce often lament the condition of existing homes available in their communities. In urban areas with a growing workforce and where home values are higher, this type of older housing can make perfect starter homes for families willing to invest in their rehab and can be great for folks who don't have a lot of extra cash saved for a down payment.

In rural areas, however, increases in construction costs, coupled with lower home values in general mean there is no guarantee that rehab work will increase a home's value, a major barrier for banks offering mortgage products to families that don't have the cash.

As Nick Dalton from United MN Bank in New London explains, "if an applicant wants to purchase a property in need of repair they may incur rehab costs that aren't supported with a market value appraisal. Purchasing a home for $40,000, investing another $40,000 to rehab the home and have the appraisal support a $70,000 value makes the purchase nearly impossible to finance."

There is very little data that highlights how many substandard homes there are in rural Minnesota, but the stage is set for the amount of dilapidated housing to increase significantly over the next 10 to 20 years as the population continues to age. Results from a survey commissioned by the MN Department of Human Services | Aging 2030 showed that baby boomers in rural areas and small towns were most likely to prefer to age in their current homes.[3]

Not only is there a higher preference, but many baby boomers in rural areas may not have a choice. As highlighted in a 2015 report by the Center for Rural Policy and Development, assisted living facilities are being developed at a slower rate in rural areas than in metropolitan areas due to shortages in the healthcare workforce and financial feasibility challenges.

Future Research

Construction costs, low home values and the aging population all combine to create the environment that is fostering the housing shortage in Greater Minnesota today. There is little research on the current state and future impacts of these issues, however, making it difficult to develop long-lasting solutions to these two knotty issues.

A closer look at the causes of the increases in construction costs will hopefully reveal areas where the market breakdown can be fixed, while a careful examination of how we can help our seniors keep their homes in good repair or move to quality assisted living nearby could help find ways to loosen the bottlenecks in the rural housing cycle. Understanding the overall picture better should help policy makers, community leaders and builders maintain a healthy supply of homes for workers in our growing rural businesses.

[3] Aging 2030: 2010 Minnesota Baby Boomer Survey: Findings for Urban, Suburban and Rural Boomers

Appendix: Definition of Four County Categories

The Minnesota State Demographer's four categories uses the U.S. Census ***rural-urban community area (RUCA) codes***. You can find the definition in their report ***"Greater Minnesota: Refined & Revisited."*** The State Demographer's Office analyzes the census tracts in each county to determine the type of "mix." Each county is then categorized.

Urban Definition

1	Census tract is situated at the metropolitan area's core and the primary commuting flow is within an urbanized area of 50,000 residents or more.
2	Census tract is within a metropolitan area and has higher primary commuting (30% or more) to an urbanized area of 50,000 residents or more.
3	Census tract is within a metropolitan area and has lower primary commuting (10-30%) to an urbanized area of 50,000 residents or more.

Large Town Definition

4	Census tract is situated at a micropolitan area's core and the primary commuting flow is within a larger urban cluster of 10,000 to 49,999 residents.
5	Census tract is within a micropolitan area and has higher primary commuting (30% or more) to a larger urban cluster of 10,000 to 49,999 residents.
6	Census tract is within a micropolitan area and has lower primary commuting (10-30%) to a larger urban cluster of 10,000 to 49,999 residents.

Small Town Definition

7	Census tract has a primary commuting flow within a small urban cluster of 2,500 to 9,999 residents.
8	Census tract has higher primary commuting (30% or more) to a small urban cluster of 2,500 to 9,999 residents.
9	Census tract has lower primary commuting (10-30%) to a small urban cluster of 2,500 to 9,999 residents.

Rural Definition

10	Census tract has a primary commuting flow outside of urban areas and urban clusters.

The number of counties within each category are; i) entirely rural: 14; ii) town/rural mix: 35; iii) urban/town/rural mix: 25; and iv) entirely urban: 13.

Appendix: Increasing Costs to Build New

Many developers and housing officials claim that the number of home construction businesses has not recovered since the Great Recession. Figure 12 shows that there are fewer businesses per 100 housing units compared to 2000. It also appears that these businesses are frequently taking projects in larger regional centers where the work is more lucrative.

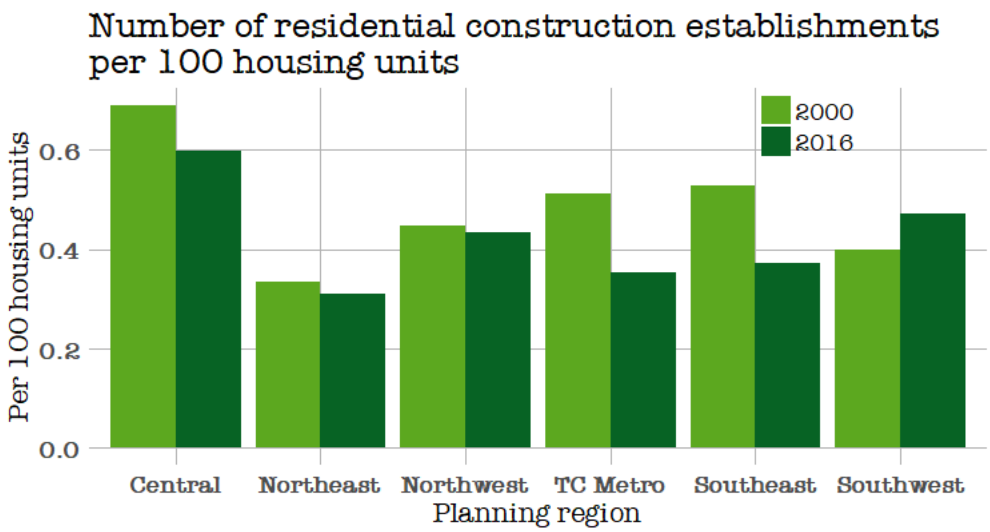

Figure 12: The number of businesses associated with home construction has not increased at the same rate as the number of housing units with the exception of SW Minnesota. (Data: MN DEED)

Developers say that costs of materials have increased, but more importantly, the labor shortage has increased the cost to attract and retain laborers. Quite a few contractors disappeared during the Great Recession, and the number of contractors and employees hasn't recovered as fast as the market is demanding (Figure 13).

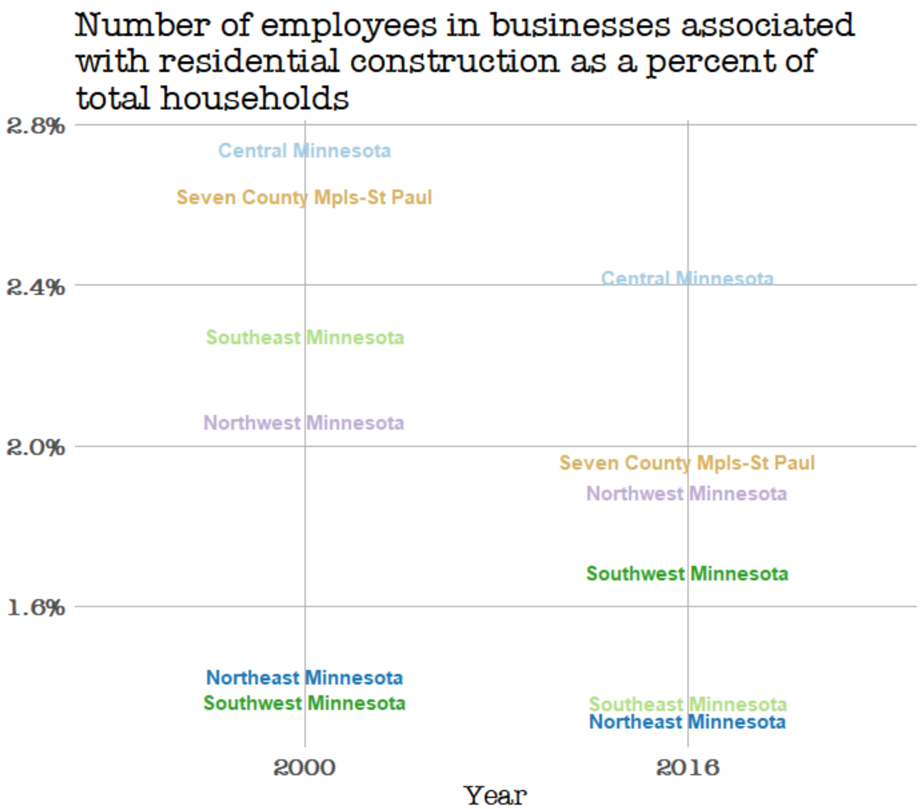

Figure 13: Every region except SW Minnesota has fewer employees working for residential contractors as a percentage of total households. This includes businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

Wages are increasing in response to this lack of growth in employment (Figure 14). Since 2000, average weekly wages for employees in businesses related to home construction and maintenance has increased 130% to 155%. Although wages in the seven-county metropolitan region are the highest, wages in every other region have grown faster (Table 3).

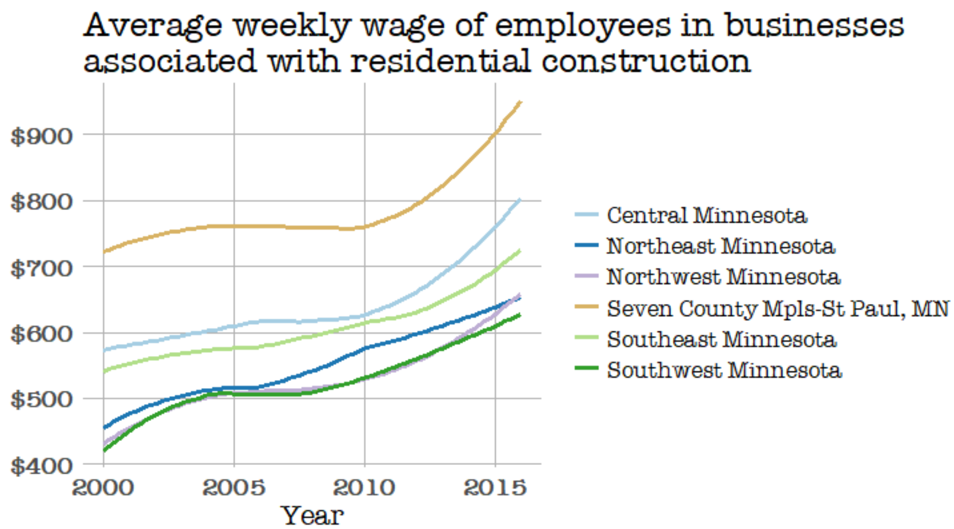

Figure 14: The average weekly wage for employees in businesses associated with residential construction is increasing across the state. This includes businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

REGION	AVERAGE WEEKLY WAGE INCREASE SINCE 2000
CENTRAL MINNESOTA	140%
NORTHEAST MINNESOTA	145%
NORTHWEST MINNESOTA	155%
SEVEN COUNTY MPLS-ST.PAUL, MN	132%
SOUTHEAST MINNESOTA	138%
SOUTHWEST MINNESOTA	148%

Table 3: Employees in the residential construction trades have experienced the largest wage increases in areas outside of the seven-county Twin Cities region. This includes employees for businesses such as plumbers, roofers, framers, and other contractors involved with the building or maintenance of residential homes. (Data: MN DEED)

Data is limited when analyzing reasons for construction cost increases, but there has been an attempt to get a better understanding. Calculations by the Builders Association of Minnesota estimate that the 2015 changes to the energy codes for single-family homes increased costs to build by $7,000 to $18,000 depending on size. The National Association of Home Builders conducts a national survey every few years to estimate construction costs. A 2015 report showed that the average construction cost per square foot has increased by 29% since 2011. The reasons for this increase provided by construction companies include excavation prices, trusses and framing increases, increasing wages, and subcontractor prices.

From:	Neeraj Agarwal
To:	Sara Tichota; Pamela Otto
Subject:	NIFA: comments to proposed 4% QAP
Date:	Friday, October 8, 2021 9:01:42 AM
Attachments:	Outlook-1503000813.png

Hi Sara/Pam,

The only comments/recommended change to the proposed 4% LIHTC QAP for 2022-2023 are below:

1. **Priority for AHTC + LIHTC combination projects:** Priority should be given based on whether the project would move forward, but for, the award of AHTCs. Specifically, priority should be given to projects that are not in a QCT, that are not able to secure gap financing measures such as Tax Increment Financing, etc. This is to ensure that AHTCs go to the projects that truly need this resource.
2. **Maximum volume cap allocations/allocation cycles/ AHTC + LIHTC:** either (a) change the 20MM of private activity volume cap per round to 80MM and maintain only one round in January 2022 and January 2023 as proposed to facilitate more 4% projects or (b) hold four rounds with 20MM each. This is key to help maximize the amount of affordable housing we develop in Nebraska.
3. **Maximum volume cap allocations/allocation cycles/ LIHTC only:** change to holding four rounds with 20MM each.This is key to help maximize the amount of affordable housing we develop in Nebraska.

Respectfully,

Neeraj

Neeraj Agarwal
Principal
C: 402.981.3735
nagarwal@claritydevco.com
3814 Farnam Street
Omaha, NE 68131

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From:	William H. Lukash (Plng)
To:	Sara Tichota
Subject:	Omaha Comments
Date:	Thursday, October 7, 2021 10:27:18 AM
Attachments:	Omaha Comments - 9% LIHTC.pdf

Hi,

First, thanks for taking the time to return my call earlier this week. The information you provided during the call did help me better understand the concerns of NIFA's board of directors.

Over the past few days I have spoken to a number of developers, co-workers, and the Mayor's Office about the 2022/2023 9% LIHTC Application. Attached to this email is our comment.

A hard copy will be placed in the mail today.

Thank you,
Bill

William H Lukash, P.G.
Assistant Director
Omaha Planning Department
1819 Farnam Street, Suite 1111
Omaha, NE 68183
Office 402-444-5150 x 2026
Cell 402-679-3949
william.lukash@cityofomaha.org

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City of Omaha
Jean Stothert, Mayor

Planning Department
Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

David K. Fanslau
Director

October 6, 2021

NIFA
Attn: Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508-1402

RE: Draft 2022/2023 9% LIHTC Application

Dear Ms. Tichota,

The City of Omaha is providing comment on the Draft 2022/2023 9% LIHTC application. Specifically, our comment is directed to the section of the application titled **Metro Only Areas of High Opportunity** which is presented on page 24 of the application.

The City of Omaha appreciates that NIFA is attempting to address the concentration of affordable housing in certain parts of Omaha. While this is also a concern held by the City of Omaha, we do not believe driving affordable housing development away from North and South Omaha is a wise or effective strategy. After all, most people in need of affordable housing live in North and South Omaha. We need affordable housing wherever it can be built.

Our preferred approach toward addressing the concentration of affordable housing is to require or prioritize a mix of affordable, workforce, and market rate units in housing projects. Through this model, neighborhoods can be uplifted by the arrival of higher income households who will attract banks, grocery stores, and other services greatly needed in these neighborhoods. This model also provides an opportunity to support affordable housing development in areas other than North and South Omaha.

Thank you for providing an opportunity to comment on your proposed application.

Sincerely,

William H Lukash, P.G.
Assistant Planning Director
Omaha Planning Department

From: Ryan Durant
To: Sara Tichota; Pamela Otto
Subject: 2022/2023 NIFA QAP COMMENTS
Date: Friday, October 8, 2021 1:48:55 PM

Good Afternoon,

I appreciate NIFA taking the time to discuss the QAP this morning. The QAP is a very important policy document that will ultimately drive future affordable housing development across the state.

My comments to the proposed 2022/2023 QAP/LIHTC Application:

-Family Development points could incentivize development of unnecessary units and that would cause over housing. If people are building 4 or 5 bedroom units then they score well in the efficient points making these points a unfair competitive advantage.

-It would seem to me that taking away small community points removal will deter development in small communities.

-It would make more sense to shift CDBG-DR monies to 4% LIHTC deals that actually need gap financing. I think there will be limited participation with 9% rounds because of the onerous requirements of the program. If we don't get the funds allocated then we will have to return them to HUD.

Please don't hesitate to contact me if you have any questions.

Thanks,
Ryan

--
Ryan M. Durant
President

Office: 402-799-1820
Mobile: 402-981-5822
ryan@rmdgroupllc.com

WWW.RMDGROUPLLC.COM

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From:	Ryan Harris
To:	Sara Tichota
Subject:	Draft QAP Comments
Date:	Thursday, October 7, 2021 3:03:57 PM

Hi Sara,

Please find our comments to the draft QAP attached. I know some look long, but felt additional context was useful. Please let me know if you have any questions about them or additional follow up. Again, appreciate the opportunity to provide comments and thank you for all the work you and your team put into the QAP!

1. It was mentioned on the open call on October 5th that the Private Activity Bond Cap with 4% LIHTCs would have a $40M cap but the draft QAP indicates only $20M.
2. The 4% bond application deadline with state LIHTCs is due approximately 5 weeks after the QAP would go final. This is a very short amount of time to respond to the needs and goals of the QAP.
3. It appears CROWN deals are no longer able to compete with other projects electing to extend their compliance period.
4. Services are still either low impact to score or they are high cost burden to the projects, which forces projects to raise rents on the residents to pay for the services. Tenants cannot be forced to use the services, however projects must budget assuming all tenants will use them. To cover the service costs projects must either raise rents or lower permanent financing. Raising rents is burdensome for tenants and lowering permanent debt is typically accomplished by requesting more LIHTC. Neither of these accomplishes the goal of providing the maximum amount of affordable housing possible. We would suggest a reduction in the maximum points available for supportive services.
5. Does the rule about no resyndication of projects before year 20 of their existing LURA include older projects or just projects going forward?
6. If there aren't at least 4 rehab applications, prior years will be used to come up with efficiency metrics. Will these metrics affect the maximum eligible credit requests on these projects? We would suggest an inflation factor be included based on CPI or other inflation index to account for increasing costs, or decreasing costs, over the prior years.
7. In the past, deals in Small Communities were eligible to receive up to 3 points which helped make those deals competitive. Deals in small communities typically have few units than deals in urban locations and therefore small community deals generally score lower in the efficiency categories compared to the competition. In addition, the new Application proposes points for Areas of High Opportunity in Metro Only locations. These are significant changes that will impact the scoring of rural deals and we would request restoring the Small Community points. (See the 2020 Round 1 breakdown of LIHTC awards for an indication of how hard it is for non-metro deals to compete.)
8. The proposed QAP changes from 2 reservation rounds to 1. MHEG viewed 2 rounds as beneficial because it gave projects that were not funded in round 1 the opportunity to make improvements to their applications for round 2. This results in better deals. There is a concern that with only 1 round NIFA will be forced to award deals that either shouldn't be awarded or could be improved before applying a second time.

9. There is a proposed change to score efficiency points based on total development costs per unit rather than eligible basis per unit. The goal should be to efficiently allocate the State's allocation of LIHTC's to projects, which is best measured by the eligible basis per unit not total development costs per unit. Some deals need to be structured with extra reserves, require additional legal fees to complete, or other costs that raise total development costs. These deals can find other funding sources to cover these costs but will be penalized under the new efficiency scoring category. Another example is legal fees to review perm loan docs on small deals (ineligible item). An attorney will charge the same fee for a 10 unit project or a 50 unit project, however using total development cost per unit basis rewards the larger project. There is an unintentional consequence of incentivizing larger deals by looking at total development cost per unit compared to eligible basis per unit.

Thank you,

Ryan Harris

Acquisitions Manager | MHEG | www.mheginc.com

P 402.334.8899 | D 402.715.5353 | **F** 402.334.5599 | *rharris@mheginc.com*

515 N. 162nd Avenue, Suite 202, Omaha, NE 68118

MHEG
Midwest Housing Equity Group

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Comments To The 2022/2023 Qualified Allocation Plan

By Teresa Kile

General Comments:
When modifications are proposed for the Qualified Allocation Process are there measurements in place to monitor the impact of the change? For some of the proposed changes, the impact may not occur for 15, 30 or 45 years. Could developments be held hostage to long term commitments that may cause functional obsolescence?

2022/2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC

Section 3.4 Maximum Allocation of 4% LIHTCs/AHTCs: The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC

Section 7. Crane Program Application Process: Competitive submittal and award dates are listed in the Housing Credit Allocation Plans. Could CRANE submittal, review and NIFA's response dates also be listed as part of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC & AHTC?

Section 9.2 Maximum Fee Limits: The cost for professional fees has risen; however, the percentages in the Qualified Allocation Plan have not. Could a study of professional fees across the State of Nebraska be helpful to determine if the percentages for Architect and Developer fees can be increased?

Section 15 Carryover Allocation and 10% Test: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would it not be best to avoid revocation of credits if the NIFA deadline for the 10% test could align with the Section 42 deadline which is within one year of an executed Carryover Agreement?

2022/2023 9% NIFA/NDED Application

Compliance and Extended Use Period: If applicants are choosing additional points for longer compliance periods or for waiving the Qualified Contract, should the proforma's of these applications also demonstrated that they are financially feasible for the time periods chosen?

If the GP of a development is a non-profit organization and the development is transferred out of the LLC and to the GP at the end of 15 years for tax purposes, does the language as written in the application exclude the nonprofit GP from requesting a Qualified Contract in the future?

Right of First Refusal: If a nonprofit will be the General Partner of an LLC or LP, are they considered affiliated with a for-profit organization and unable to receive points in the Right of First Refusal?

Family Development: Should there be measurements in place to ensure that 4 or more bedrooms are being utilized by households with 4 or more persons residing in them?

Density Configuration: With the cost of land rising, is density configuration adding unnecessary costs to a development?

2022 Carryover and 10% Procedures Manual

Section 1.1 Qualifying For A Carryover Allocation: In the Qualified Allocation Plan, it is noted that revocation of credits will occur if deadlines are not met. Would changing the 10% Test deadline to align with the Section 42 rules and regulations allow developments additional time to meet the requirement?

From:	Todd Lieberman
To:	Sara Tichota
Cc:	Joanie Poore; William H. Lukash (Plng); Kathleen Bole
Subject:	comments/questions on QAP
Date:	Thursday, October 7, 2021 9:53:27 PM

Sara

I have reviewed the QAP and I have a few questions/comments:

1. Efficient housing production analysis should take into account the increased costs of Davis Bacon requirements.
2. Adding a category for concerted revitalization effort would help to incentivize projects in cities that are meeting clear public policy objectives.
3. Adding an explicit preference for public housing transformation in 4%/AHTC would be very helpful for large scale Choice Neighborhoods work.
4. Can you apply for both 4%/AHTC and 4%/NDED in the same round?

Thanks for your consideration.
Todd

Todd Lieberman | Executive Vice President

Brinshore Development, LLC | www.brinshore.com
222 W. Gregory Blvd, Suite 323 Kansas City, MO 64114

Direct: (224) 927-5061 | Mobile: (224) 532-8911
Email: ToddL@brinshore.com | Fax: (847) 562-9401

BRINSHORE

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From:	Todd Lieberman
To:	Sara Tichota
Cc:	Kathleen Bole; William Lukash; Joanie Poore
Subject:	QAP comments
Date:	Thursday, October 7, 2021 2:43:29 PM

Sara

I would like to make the following comments to the QAP scoring across the various QAPs.

1) include a point category for concerted urban revitalization effort as a point for point compendium to opportunity areas.

2) include a way to address the significant difference in davis bacon costs in cost efficiency categories.

3) add a way that public housing redevelopment to be prioritized in 4%/AHTC developments. It is a great tool to for larger projects.

4) add mixed income public housing redevelopment as an eligible CRANE project.

Thanks
Todd

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https://www.mailcontrol.com/sr/bQNmOrhhLlbGX2PQPOmvUihCLhWP7Wj9i7x5S46t1DEdYcTxbwJMaijqGZ5NjHxAfKMMrErP4MWYO_6K2KUB-Q== to report this email as spam.

Nebraska Investment Finance Authority
Second 2022/2023 Qualified Allocation Plan Public Hearing
Low Income Housing Tax Credit (LIHTC) &
NE Affordable Housing Tax Credit (AHTC) Program
November 19, 2021

Attendees: **Thomas Judds, Lincoln Housing Authority/Little Salt Development Co.; Chris Lenz, Excel Development Group; Kathy Mesner, Mesner Development; Rob Woodling, Foundations Development; David Nickloy, Locke Capital, Fred Hoppe, Hoppe Development; Paula Rhian, Midwest Housing Development Fund; Mark Hansen, CDR; Amanda Brewer, Habitat for Humanity of Omaha; César Garcia, Canopy South; Lauren Foster, Greater Fremont Development Corporation; Susan Nickerson, Christina Zink, and Mackenzie Waldron, Nebraska Department of Economic Development**

NIFA Staff in Attendance: Sara Tichota, Robin Ambroz and Pamela Otto

Meeting called to order at 9:08 a.m. CST

Summary of Public Comments categorized by topic:

Developments in Conjunction with Non-LIHTC Housing Opportunities

Rod Woodling, Foundations Development

This will be very difficult to document, as the city will not have knowledge of this information. Clarify the total number, does it have to be six (6) homeownership or six (6) rentals? Or could it be a combination of both? What is to keep someone from saying one thing and then decide to do another option.

Kathy Mesner, Mesner Development

For subdivisions, there is no way to get approval without having the LIHTC award. It is important to understand that for communities in rural Nebraska, having a big subdivision is not needed to show collaboration and housing efforts. For example, in a town like Central City, there is two (2) stop lights and to get from one side of town to the other takes only three (3) minutes.

Fred Hoppe, Hoppe Development

Building market rate units in conjunction with LIHTC does not work, especially in Bond deals. Building market rate units in very costly and a risk for companies. To build developments that include market rate takes time and needs to be done in phases.

César Garcia, Canopy South

Mixed income creates opportunities for tenants. Often when talking about mixed income, we forget about the human aspect. Pleased that mixed income is included in the QAP.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months. NIFA continues to offer points in the application for providing market-rate units in a LIHTC development.

<u>Leverage and Collaboration</u>

Rob Woodling, Foundations Development

Capital is listed as eligible and then any funds are excluded from partners in the development. TIF is listed but loans are not. TIF is collateralized as loans. Partnerships are for-profit and grants will impact the for-profit partners, triggering a tax hit and lowering their initial contribution.

Kathy Mesner, Mesner Development

Collaboration and Leverage was scored in threshold. It appears this has now replaced scoring threshold, should have left threshold scored. Grants reduce basis and TIF is a loan.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has clarified the eligible and non-eligible resources.

<u>Development of Housing in Greater Nebraska</u>

Kathy Mesner, Mesner Development

The simplest way to incentivize development in rural Nebraska is to increase the set-aside. Some communities do not need six (6) units, so they are scattered between communities, recommending allowing for that. This should be for two (2) years, as everything is based on two (2) years. Workforce Housing is going into several communities across the state and there is no AMI required for that program as the housing must be affordable, recommend removing the AMI requirement to allow for this program to be included.

Fred Hoppe, Hoppe Development

Affecting neighborhoods for twelve (12) months, but you are getting points for something that happened in the past and that is not right. It should be noted so developers can plan for two years.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

NIFA has expanded the timeline to 24 months and revised references from 150% of AMI to affordable housing. The 10 homes/rental units can be located in different communities as long as each community's population is 15,000 or less.

<u>Applicant/Owner Track Record</u>

Kathy Mesner, Mesner Development

The points being put in for developers that have not requested an increase in credits within the last twenty-four (24) months, is not appropriate in this environment.

Fred Hoppe, Hoppe Development

It is unfair to have bonus points or negative points because of a couple developers who skewed their numbers. Do not penalize us for taking advantage of our pricing in the last couple of years. Also, if you couldn't get a tax credit project in the last couple of years, you now get a benefit and that is not right. Reward those developers in the future for those who hit their numbers.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Transit Corridors

César Garcia, Canopy South

We need to think about a holistic approach, especially for transportation. It is very important that we create accessibility to individuals who live in distressed areas.

The Areas of High Opportunity Indices include metrics regarding project location regarding walkability, commute time, etc. NIFA staff will continue to evaluate metrics that should be included to demonstrate an Area of High Opportunity,

CDBG-DR Funding

Amanda Brewer, Habitat for Humanity of Omaha

She has provided input regarding CDBG-DR funding to NDED during the whole process for CDBG-DR funding, so she was very surprised to learn to that $26 million was set-aside for the joint LIHTC/NDED application and any remaining funds after the cycles will be put into homeownership programs. Requesting that half of the funds be held for homeownership, instead of waiting to see what is left over after the LIHTC cycles, as she has 75 individuals' mortgage ready.

Response from NDED: The primary purpose of the CDBG-DR Affordable Housing Construction Program (AHCP) is to increase affordable housing supply in flood-impacted areas, including affordable rental housing and

affordable homeownership for low-and moderate-income households that lost their homes in DR-4420. Housing programs have been designed based on unmet needs and local priorities, as identified through feedback from long-term recovery groups and local outreach.

There are two applications for the AHCP. To maximize the limited funding available for recovery, DED anticipates awarding gap financing to eligible applicants under both applications. The first application will be in partnership with NIFA to leverage CDBG-DR with LIHTC and AHTC to increase the supply of affordable rental housing in impacted areas. Funds in the first application are designed as gap financing for LIHTC/AHTC projects. The second application will be through DED directly, where LIHTC is not a funding source. In this application, non-profits, units of local government, and public housing authorities may apply to DED for technical assistance and funding for affordable rental and affordable homeownership construction/rehabilitation activities, to include new construction for sale to LMI homebuyers, construction of owner-occupied housing, new construction of rental housing, rehabilitation to rental housing, and land acquisition for eligible construction activities.

Additional program materials can be found on the CDBG-DR webpage at opportunity.nebraska.gov/cdbg-dr.

<u>Efficient Housing Production</u>

Kathy Mesner, Mesner Development

If NIFA doesn’t separate out the CDBG-DR funding for efficiency scoring, there will be no applicants for the funding, as it will be too costly to incorporate.

The Efficient Housing Production calculations will use adjusted eligible basis which allows developers to remove CDBG-DR costs from Eligible Basis.

<u>Deferred Developer Fee of 25%</u>

Chris Lenz, Excel Development

There is no other state that requires developers to defer 25% of their fee.

NIFA does not require developers to defer any fees. Points are available for those who choose to defer at least 25% of their developer fee.

<u>Nebraska Affordable Housing Trust Fund (NAHTF) from NDED</u>

Kathy Mesner, Mesner Development

Include the possibility of NAHTF being used in projects under DED criteria.

NDED Response: The 2022 Nebraska Affordable Housing Trust Fund (NAHATF) Qualified Allocation Plan (QAP) is open for public comment November 29, 2021 – December 30, 2021. The proposed 2022 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to use up to $1,000,000 in discretionary funds in conjunction with the 2023 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of $500,000. These awards will only be invested in projects where federal procedural restrictions are a barrier to providing DED federal funding to an otherwise financially feasible, quality project, determined at the sole discretion of the Department. As NDED continues to develop and finalize the 2022 NAHTF QAP and NIFA develops and finalizes the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC our agencies will make certain that if NAHTF is set-aside for the 9% LIHTC program the application process will be included in the NIFA/NDED joint application.

<u>Financing Gaps Greater than $500,000</u>

Kathy Mesner, Mesner Development

Implementing this will throw out applications applying for Affordable Housing Program (AHP) funding from Federal Home Loan Bank. For those developments applying for these funds, they are now at a disadvantage, as they could possibly cover the gap if they are awarded AHP funding.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Annual Meeting with Board

Kathy Mesner, Mesner Development

When the QAP goes before the Board, would really like to see other developers, and interested parties have time to speak in front of the Board. One developer has the ear of the Board and there are other perspectives that could be shares, as we have differing perspectives. The rest of the developers have not had an opportunity to address the Board. Suggested having in the QAP that the developers will have an annual meeting with the Board, so a discussion can occur with all interested parties.

Fred Hoppe, Hoppe Development

Agrees that an annual meeting would be beneficial for the Board and the developers.

All public comment is shared with the NIFA Board. These comments will be considered and evaluated.

QCT

Fred Hoppe, Hoppe Development

In Lincoln, he would not get points because he does not have a Concerted Community Revitalization Plan and is not in a Choice Neighborhood, as those are only in Omaha. Recommends having any type of plan count to receive the points.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Proximity to Services

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

Please see responses to written comment below.

<u>General Comments</u>

Thomas Judds, Lincoln Housing Authority/Little Salt Development Company

Is concerned about the next generation of tax credit developers, as those currently developing in Nebraska approach retirement. We need to foster and build the younger generation and ensure that affordable housing development continues in Nebraska.

NIFA will take your comment under advisement.

Mark Hansen, Retired CDR

Basic observation, NIFA is trying to do a fair and efficient way to provide LIHTC in a scoring system. Need to figure out a way that can be customizable to each community, with more flexibility and less of being told what to do.

NIFA will take your comment under advisement.

Chris Lenz – Excel Development Group

Chris Lenz read from his written comments. The comments and NIFA/NDED responses are included written comment section.

Please see responses to written comment below.

Meeting Adjourned at 10:05 a.m.

Written Comments received – See attached correspondence from:

- **George Achola, Burlington Capital Real Estate**
- **Jamie Berglund, SPARK**
- **Amanda Brewer, Habitat for Humanity of Omaha**
- **Ryan Harris, Midwest Housing Equity Group**
- **Fred and Jake Hoppe, Hoppe Development**
- **Thomas Judds, Lincoln Public Housing Authority**
- **Teresa Kile, White Lotus Group**
- **Chris Lamberty, Lincoln Public Housing Authority**
- **Chris Lenz, Excel Development Group**
- **Todd Lieberman, Brinshore Development, LLC**
- **Kathy Mesner, Mesner Development**

- **Jewel Rodgers, Noddle Companies**
- **Rob Woodling, Foundations Development**

George Achola – Burlington Capital

<u>Efficient Housing Production Points:</u> The efficiency points should be used as a tie breaker not scored as part of the underlying competitive process. If NIFA does not wish to remove the points, then the points should be reduced to 4 points total. Up to 1 point for square footage, up to 1 point for per unit, and up to 2 points for LIHTC per occupant.

NIFA will continue to evaluate this criterion, but no change is proposed at this time. NIFA, based on Board member input, plans to monitor the 2021 reduction in Efficient Housing Production points for the 2022/2023 QAP as well as work with expert consultants to create building and construction standards.

<u>Proximity to Services:</u> The proximity (pg. 35) should be identified by a independent third party-such as the market study. Any questions must be resolved prior to submission. This should be a progressive scale. The closer you are to the identified service the more points from .5 miles out to 1.5 miles. Need to create the measurement methods for distance.

Lose 1 point for certain locations -if you are close to non-desirable locales- train tracks, airports, junk or salvage yards etc.

NIFA has modified the distance requirement from 1.5 miles to 3 miles for all services, except parks which remain .5 of a mile. Methods regarding measurement and points eligibility are included in the Exhibit Examples Document - Exhibit 213.

NIFA will evaluate, for future QAPs, the suggestion regarding non-desirable locations, specifically for Non-Metro areas. The Areas of High Opportunity Indices include a metric for Environment and Health. Those ratings are impacted by location to dump sites, microparticles, and the pollution levels of soil, air, and water. The items listed above would directly impact the rating in each rating area.

Collaboration: Points for a project where a Housing Authority participates in the Development by providing capital funding etc. or participating in the project-especially in non-metro areas.

An application receiving capital funding from a local Housing Authority would be eligible for points in the Leverage and Collaboration section of the application. NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Set Asides: Set aside -Housing Authority non-metro and a set-aside for developments in communities that had not or do not currently have an LIHTC development. To deal with the issue of problematic lack of funding provide the ED with programs committee approval the ability to authorize the set-aside should funding become sufficient.

A development located in a community that has never had a LIHTC development is currently eligible under the CRANE set-aside. NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Jamie Berglund – Spark

Proximity to Services: Promotion of projects that are located within ¼ mile of key transit corridors in Metro areas.

The Areas of High Opportunity Indices include metrics regarding project location regarding walkability, commute time, etc. NIFA staff will continue to evaluate metrics that should be included to demonstrate an Area of High Opportunity,

New and Emerging Developers: Support for projects from and technical assistance resources for new and emerging developers to help build and diversify the pipeline of development talent.

NIFA will explore ways to support new and emerging developers through other programs/resources.

Leverage and Collaboration: Clarity on the expected role and/or compensation of nonprofit partners in projects, when utilized to demonstrate and/or leverage community collaboration.

It is anticipated that the nonprofit partner may be making a capital contribution or a community contribution as outlined in the application. If the applicant is requesting LIHTC from the nonprofit set-aside, the role of the nonprofit organization is outlined in Exhibit 3.

Positive Comments: Excited about the support for mixed-income development projects and promotion of projects that demonstrate community collaboration, involvement, and support.

Amanda Brewer – Habitat for Humanity of Omaha

CDBG-DR: We thought a portion of the CDBG-DR funds would be reserved for the creation and preservation of affordable housing for homebuyers. However, it is our understanding that the strategy now is to allow a round of applications for projects to leverage the LIHTC program and only whatever is left over will be available for homeownership. In the three most impacted Nebraska counties of Douglas, Sarpy and Dodge owner-occupied units were damaged or lost three times more than rental units.

NDED Response: The primary purpose of the CDBG-DR Affordable Housing Construction Program (AHCP) is to increase affordable housing supply in flood-impacted areas, including affordable rental housing and affordable homeownership for low-and moderate-income households that lost their homes in DR-4420. Housing programs have been designed based on unmet needs and local priorities, as identified through feedback from long-term recovery groups and local outreach.

There are two applications for the AHCP. To maximize the limited funding available for recovery, DED anticipates awarding gap financing to eligible applicants under both applications. The first application will be in partnership with NIFA to leverage CDBG-DR with LIHTC and AHTC to increase the supply of affordable rental housing in impacted areas. Funds in the first application are designed as gap financing for

LIHTC/AHTC projects. The second application will be through DED directly, where LIHTC is not a funding source. In this application, non-profits, units of local government, and public housing authorities may apply to DED for technical assistance and funding for affordable rental and affordable homeownership construction/rehabilitation activities, to include new construction for sale to LMI homebuyers, construction of owner-occupied housing, new construction of rental housing, rehabilitation to rental housing, and land acquisition for eligible construction activities.

Additional program materials can be found on the CDBG-DR webpage at opportunity.nebraska.gov/cdbg-dr.

Ryan Harris – Midwest Housing Equity Group

Leverage and Collaboration: This scoring section of the application doesn't work structurally, especially if we're trying to get 20% of the costs as a capital contribution or grant because of the following: 1. Grants can't be used unless there is an income hit or potential reduction of basis; 2. If we have to take the income hit, we reprice the deal to account for it, lowering equity; 3. The for profit general partner would have the income allocated to them, however, they won't have the offsetting funds to pay the taxes on a large grant; and 4. Nonprofit general partner can't have the income allocated to them or else we have tax exempt use property.

Also, projects can't have a capital contribution if according to the section it can't come from an identity of interest.

NIFA has clarified the eligible and non-eligible resources.

Fred and Jake Hoppe – Hoppe Development

Deadlines for 4% and 9%: Would like to see the 4% and 9% deadlines not overlap

NIFA staff has a very limited time frame to in order to ensure Tax Exempt Bond/4% LIHTC projects are approved and can close by no later than December 20th. Unfortunately, due to delays with the QAP, an

overlap of application dates occurs in 2022. The 2023 cycle deadlines are designed to reduce and/or eliminate any overlap.

QCT: NIFA allocates additional points to a development in a QCT that are part of a collaborative effort under terms of art, such as "Concerted Community Revitalization Plan" or "Choice Neighborhoods". However, it does not provide a corollary for a potential plan that encompasses land outside of a QCT. Request that new development, and not just revitalization, could meet the CCRP requirements, such that any development, regardless of location, that is part of a comprehensive community effort could quality for points.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Developments in Conjunction with Non-LIHTC Housing Opportunities:
The QAP could go further to reinforce this concept, especially with 4% bond projects, as most of those developments are separate entities, such as that the 100% affordable project is financed through LIHTC, but physically integrated with a market rate project financed conventionally. Broadening the definition of a mixed income project to capture this scenario would provide a stronger, and more feasible incentive for mixed income developments.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

4% AHTC Bond County Concentration Limit: The QAP only provides for one bond and AHTC project per county. Demonstrated last year, many projects may come forward from a single county and still be within the bond cap. Suggest that NIFA removes the explicit limitation allowing for more flexibility should all applications come from one county or allow NIFA to fund all projects, regardless of the concentration by county.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

<u>Development of Housing in Greater Nebraska:</u> Would like clarity to better understand how and which development efforts would qualify. Ten units delivered in a single year in a small community is a large development effort, as we deliver housing over a two-to-three-year period, with some being delivered, some in progress, and/or are in the process with developments of rental housing that anticipate deliver greater than ten units. Would these development efforts qualify? If projects are market rate, but price to be accessible to folks with less than 150% median income, would these qualify?

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community's population is 15,000 or less.

<u>Applicant/Owner Track Record:</u> The past 24 months have experienced unprecedented levels of pricing volatility, combined with long project lead times driven by application cycles, have been challenging. Awarding points to an organization that has not been active in the past 24 months, and has not requested an increase, is rewarding developers who have not participate dint he delivery of affordable housing in this challenging period. If you requested an increase, were denied the increase, but completed the project, should you be penalized? Limit the point to developers who have received an award and on a going-forward basis, ignoring the challenging past 24-month period.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

<u>Leverage and Collaboration:</u> Believe the percentages and scores significantly exceed what is observed, even when there is meaningful community support and buy-in. The only instance where the contributions from other sources made up any percentage above 10% was the Choice contribution to 75 North. Would there be other ways to demonstrate meaningful community collaboration and buy-in? Could these be scaled more appropriately to what is observed?

Note of Concern: PACE loan can be used to monetize TIF in a way that magnified the appearance of the TIF contribution beyond what could reasonably be considered a community's contribution to the project.

NIFA has clarified the eligible and non-eligible resources.

Design Standards: Believe that Hardy Plank represents a façade upgrade in durability and quality that should be recognized along with stone veneer.

No change will be made at this time. NIFA, based on Board member input, plans to partner with expert consultants to create building and construction standards. A review of Design Standards will also take place.

Amenities: Fiber and internet wiring should be encouraged, whether it ultimately is a tenant paid service or not, especially in an environment with significant resources for low-income internet services whereby a tenant might access these services free of charge.

No change is proposed at this time. The NIFA Board has indicated that the NIFA staff should partner with expert consultants to create building and construction standards. This item will likely be addressed in the review.

Supportive Services: Confused by the requirement for the owner to pay for supportive services, when they may be arranged or provided leveraging existing programs or capabilities.

Supportive services are an additional points category and are not a requirement (except in CRANE). To receive points, the owner must provide or pay for supportive services. If a supportive service can be provided that is not paid for or provided by the owner a replacement

supportive service must be chosen. If it is an existing program that can be provided to the tenant at a reduced rate or at no cost due to the tenant meeting certain income or eligibility requirements, the owner is not providing any additional supportive service and shall not receive points.

Thomas Judds – Lincoln Public Housing Authority

Permanent Sources/Syndication Information: Suggestion to relabel the heading "Syndication Information" to that of "Investor Information." This suggestion would also apply to "Name of Syndicator" for both Federal and State tax credits. This would complement Exhibit 108 titled, "Investor Interest/Commitment Form."

NIFA will take your comment under advisement.

Development Team: In concert with the above, suggest the line items labeled "Federal Syndication Firm" and "State Syndication Firm" be revised to reflect "Federal Investor" and "State Investor."

NIFA will take your comment under advisement.

Applicant/Owner Track Record: Clarify if an applicant and/or owner that has not received an award, or even submitted an application, within the past 24 months are eligible for these points.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Leverage and Collaboration: Would like more clarification regarding eligible and non-eligible resources, and for entities of identity of interests.

NIFA has clarified the eligible and non-eligible resources.

Family Development: The voucher program is a fair representation of the demand for low-income housing and vouchers are issued based on the size of their family. In Lincoln, only 5% of all vouchers are for four (4) bedroom units, if you included four (4) bedroom or larger it is only 6%. Question what data would indicate that NIFA should be encouraging more four (4) bedroom units to be build. This seems to be a community specific need, and maybe that need exists in some places.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Teresa Kile – White Lotus Group

Private Activity Volume Bond Cap per Development: The Private Activity Bond Cap per development is $18 million and would like this amount to be increased. If the per development cap was increased, utilization of this program would allow more than housing for developments.

The Bond/4% LIHTC/AHTC per development Private Activity Bond Cap maximum will remain at $18 million. The Bond/4% LIHTC Private Activity Bond Cap maximum has been increased to $22 million for 2022. The per development limit could increase annually based up inflation and the Consumer Price Index. In addition, at the discretion of the NIFA Board, the Bond/4% LIHTC Private Activity Bond Cap maximum may be increased on a per project basis.

Maximum Fee Limits: General Requirements is defined as contractor's miscellaneous administrative and procedural activities and expenses that do not fall in a major-function construction category. This line item is not a professional fee and should not be included when calculating the 24% limit for professional fees of the contractor, developer, tax credit consultant, and real estate consultant.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

CRANE Applications: CRANE projects are required to provide more supportive services while generating less revenue in which to do so. A CRANE development must provide the maximum number of supportive services for the maximum number of points available, and it is expected that the project will provide additional services not listed in the application. Also, the CRANE developments must lower their rents so that 10% of their units targe incomes at 40% of AMI and 40% of their units target incomes at 50% of AMI. It is important to provide supportive services to the tenant; however, to provide these services, the development must be allowed to generate the revenue to do so and remain financially sustainable.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Chris Lamberty – Lincoln Public Housing Authority

Family Development: The voucher program is a fair representation of the demand for low-income housing and vouchers are issued based on the size of their family. In Lincoln, only 5% of all vouchers are for four (4) bedroom units, if you included four (4) bedroom or larger it is only 6%. Question what data would indicate that NIFA should be encouraging more four (4) bedroom units to be build. This seems to be a community specific need, and maybe that need exists in some places. In Lincoln, the demand for affordable housing is 1-, 2-, and 3-bedroom units.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Chris Lenz – Excel Development Group

General Comments: NIFA is adding point categories that are contradicting and essentially neutralizing existing sections of the application. For example, for the last three years and now the next two years, developers will be pushed to develop projects in Presidential Disaster Declaration areas. Adding points for being close to a senior center or near a new subdivision will not trump these points.

Another section that drives community selection are the two points for ED Certified and Leadership Community. When combined with the Presidential Disaster Declaration points, no developer will leave these points on the table.

Development of Housing in Greater Nebraska: This section and the associated points do not enhance the lives or well-being of the tenants, nor do they add anything of value to a project and have nothing to do with community selection or project location. These points are directed towards individual developers and should be removed from consideration. If not removing, define “materially participating within the last 12 months.” Maybe expand the time frame.

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community’s population is 15,000 or less.

Leverage and Collaboration: Please clarify the non-eligible resources, specifically from NIFA and NDED funding sources. Are you eliminating any and all programs managed by NDED regardless of the source of funds (Federal and/or State)? Also, please clarify land from an unrelated party as an eligible resource.

NIFA has clarified the eligible and non-eligible resources.

Proximity to Services: This section is not necessary as there have been no issues in the past regarding location to services. By adding these points, NIFA is limiting which rural communities will be considered for an application. In most rural communities the only available land is on the outer edges of town and not within the distance requirements. If being so close to services is important, why is this for non-metro only?

NIFA has modified the distance requirement from 1.5 miles to 3 miles for all services, except parks which remains .5 mile. Methods regarding measurement and points eligibility are included in the Exhibit Examples Document - Exhibit 213.

Development in Conjunction with Non-LIHTC Housing Opportunities: This new category is once again limiting where LIHTC developments will occur and not increasing the number of potential rural communities. This section will drive developments towards the larger rural communities.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

Todd Lieberman – Brinshore Development, LLC

Leverage and Collaboration: Please consider including an option for leverage to be evidenced by a subordinate loan with below market interest rate and with debt service payments payable only out of cash flow only or repayment completely deferred to maturity.

Please remove the identity of interest restriction in leverage and collaboration, as many grants and philanthropic investments are funded through a non-profit partner.

NIFA has clarified the eligible and non-eligible resources.

Areas of High Opportunity/Proximity to Services: Doesn't think that the intention is to disadvantage revitalization areas, but developments like Highlander do not score well in Areas of High Opportunity. If you could give areas in revitalization areas a similar proximity to services category.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Choice Neighborhoods: Urges NIFA to increase the scoring for Choice Neighborhoods from one point to two points, hoping that HUD would fund future Choice Neighborhood projects.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Kathy Mesner – Mesner Development

Development of Housing in Greater Nebraska: If you want more units built in Greater Nebraska make more credits available to Non-Metro areas.

There needs to be some revisions to the metrics for this section. Building ten units in one town is too great a risk, so the development occurs across several towns and communities. Suggest changing this to an accumulated total not a “one town” total.

Propose changing the one-year building time frame to two years. As no one is going to stop building when they go to contract/start building.

Rural Workforce Housing does not require an AMI for the program and it is a fully collaborative program and should be allowed to receive points under this category.

NIFA has expanded the timeline to 24 months and revised references from 150% to affordable housing. The 10 homes/rental units can be located in different communities as long as each community’s population is 15,000 or less.

Applicant/Owner Track Record: Adding one point for having not asked for extra credits for a project in the last 24 months is a terrible idea given the challenges of the past two years.

NIFA has removed this section for the 2022/2023 QAP, however, implementation is planned for the 2024/2025 QAP.

Leverage and Collaboration and Threshold: Grants reduce eligible basis and make no sense to emphasize them, and below market loans should be eligible.

Firm commitments for things like TIF are not possible at application time. In most cases the developer will not own the land at the time of application.

Much of the work we do with cities is a collaboration of ideas and activities. While there is discussion prior to the LIHTC application submittal, cities are not included to take things before their regulatory offices and boards until a project is funded. If these things are committed prior to application the project should be rewarded. This is what all the different threshold scoring categories used to do, and not sure why threshold points were removed and then put back in selectively.

NIFA has clarified the eligible and non-eligible resources.

Development in Conjunction with Non-LIHTC Housing Opportunities: The requirements for this section are "putting the cart before the horse". Developers do not get final "approved" subdivision plat until we know what they are building. The amount of TIF will depend on the number of lots that are getting platted and the types of housing you are building. Doing a final subdivision plat is time consuming and expensive to complete and will not occur until the developer is awarded tax credits. Not opposed to promoting this activity, but it is unrealistic to expect an approved plat at the time of application. Also, is this category repetitive of the points already awarded for market rate units.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

CDBG-DR: NIFA should separate out the added DR costs for things like Davis-Bacon when calculating efficiencies; otherwise, no on will apply for DR funds.

The Efficient Housing Production calculations will use adjusted eligible basis which allows developers to remove CDBG-DR costs from Eligible Basis.

<u>NDED Gap Funding with Nebraska Affordable Housing Trust Funds (NAHTF):</u> There should be a NDED designed criteria for using NAHTFs with LIHTCs in projects where Federal Gap Financing sources will not work.

NDED Response: The 2022 Nebraska Affordable Housing Trust Fund (NAHATF) Qualified Allocation Plan (QAP) is open for public comment November 29, 2021 – December 30, 2021. The proposed 2022 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to use up to $1,000,000 in discretionary funds in conjunction with the 2023 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of $500,000. These awards will only be invested in projects where federal procedural restrictions are a barrier to providing DED federal funding to an otherwise financially feasible, quality project, determined at the sole discretion of the Department. As NDED continues to develop and finalize the 2022 NAHTF QAP and NIFA develops and finalizes the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC our agencies will make certain that if NAHTF is set-aside for the 9% LIHTC program the application process will be included in the NIFA/NDED joint application.

<u>Underwriting Criteria - $500,000 funding gap:</u> There needs to be a way to reconcile application dates with AHP. The outcomes from AHP applications are not known at the time of application. An application could be thrown out under this rule and then later an AHP award would make the GAP less than $500,000.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

<u>General Comments:</u> When the QAP is taken to the Board of NIFA on December 10th, I strongly urge you to allow developers at the meeting to be a part of the discussion. Right now, the Board is only hearing one developer voice during Board meetings and his experience does not include significant work in outstate Nebraska. All developers should be given the chance to speak and respond to the Board during the actual discussion of the QAP, not just during the public comment period.

Also, recommend NIFA adds language to the QAP that allows developers and other interested parties to meet directly with the Board of NIFA on an annual basis to discuss the QAP for future years. This would provide the Board with all perspectives from developers and will better promote the integrity of the QAP process.

All public comment is shared with the NIFA Board. These comments will be considered and evaluated.

Family Development: The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. There are a couple reasons many communities across the state don't have affordable family housing. One reason affordable homes are being occupied by seniors who have no place to downsize. Another reason is that people are buying up everything on the market and renting out family homes to anyone because there are no other rentals on the market. Recommendation is to get rid of the 2 points for family developments and maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2- and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

NIFA is reducing the required percentage of 4-bedrooms units or larger from 20% to 10% and the number of points available from two (2) points to one (1) point.

Small Community: Recommend leaving the points for smaller communities in place, otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

NIFA is reinstating the small community points for Non-Metro areas only.

Threshold Points: Eliminating all points for threshold items is a mistake, as most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. By eliminating these points, you are denying certain projects the ability to distinguish themselves from other projects.

Zoning will now be a tie-breaker item. NIFA will continue to evaluate these criteria, but no change is proposed at this time for threshold.

Counties without projects: Does not believe that "Counties Without Projects" should be a part of CRANE. Most of the counties without projects have a declining population and may not be able to support the 45-year compliance period of the project. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Scoring CDBG-DR Applications: In order for developments to be competitive and use CDBG-DR funding, we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other gap financing sources and the CDBG-DR funds will go back to Washington.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Efficiency Housing Production: We need to add some efficiency points back into scoring. While it is important that we have amenities and supportive services, we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

The change to using total development cost less land for the Efficient Housing Production measurements will not be implemented. Instead, NIFA will use adjusted eligible basis which is consistent with the practice in previous years.

Jewel Rodgers – Noddle Companies

Developments in Conjunction with Non-LIHTC Housing Opportunities: We encourage NIFA to consider extending this prioritization beyond single project-based development and reach to include mixing market rate, workforce, and affordable units across neighborhoods.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

Efficient Housing Production: Make necessary adjustments to the Efficient Housing Production tactic to enable the prioritization of high-quality construction.

NIFA will continue to evaluate this criterion, but no change is proposed at this time. NIFA, based on Board member input, plans to monitor the 2021 reduction in Efficient Housing Production points for the 2022/2023 QAP as well as work with expert consultants to create building and construction standards.

Amenities: Ensure that access to amenities also include transit corridors.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

Design Standards: Extend accessibility to include universal design standards.

No change is proposed at this time. NIFA, based on Board member input, plans to partner with expert consultants to create building and construction standards. This item will likely be addressed in the review.

<u>Multi-Lingual Access:</u> Include multi-lingual access in community engagement activities.

NIFA will continue to evaluate this criterion, but no change is proposed at this time.

<u>Leverage and Collaboration:</u> Expand the definition of collaboration beyond partnerships between developers and nonprofit service providers to also include collaboration across funding sources.

NIFA has clarified the eligible and non-eligible resources.

Rob Woodling – Foundation Development

<u>Developments in Conjunction with Non-LIHTC Housing Opportunities:</u> The rental piece is going to be problematic, as a local jurisdiction will not know the outcome of the construction that is happening.

The split between rental and homeownership is not clear, it is a total number of units, or either six rental or six homeownership units? The LIHTC project will not be able to control what the builder ultimately decides to do with the property and then the LIHTC project will be out of compliance.

NIFA has revised the criteria and title for this section. The section is now titled "Community Housing Initiatives" and focuses on a community's housing activities within the last 24 months.

<u>Leverage and Collaboration:</u> Under eligible resources, it lists capital contributions as eligible but also states at the beginning of the section that anyone with an identify of interest is an excluded entity for these points. A capital contribution, by definition, makes someone a development partner.

TIF is listed as an eligible resource and loans are listed as a non-eligible resource. This is contradictory, as TIF goes into projects as loans from a bank. Please clarify if TIF and TIF loans are eligible or non-eligible.

Grants are listed as being eligible for points; however, grants to for-profit entities are taxable income. Creating taxable income at the start of an investment will cause pricing for these credits to go down as investors now have to factor in taxable income.

NIFA has clarified the eligible and non-eligible resources.

Habitat for Humanity® of Omaha

Building opportunity throughout Burt, Cass, Douglas, Sarpy and Washington Counties.

November 19, 2021

Sara Tichota, Allocations Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Re: NIFA's 2022-23 Qualified Allocation Plan – Public Comment Submission

Dear Ms. Tichoto,

Nebraska lost more than $1 billion worth of property as a result of the flood disaster of 2019. Habitat for Humanity of Omaha has been involved in the relief and recovery related to that disaster from the beginning. In the days immediately after, we mobilized more than 400 volunteers who served nearly 3,100 hours to assist in clean up and taking calls through the Crisis Cleanup Hotline. In King Lake, we removed 588 tons of debris, aided in restoring electricity to houses, and completed dozens of repair projects to help affected residents return safely to their homes. In Sarpy County, we are working with flood impacted families interested in pursuing Habitat homeownership. This work continues even today, more than two years later.

We were hopeful that, of the $26 million of CDBG-DR funds allocated to affordable housing construction in Nebraska, a portion would be reserved for the creation and preservation of affordable housing for homebuyers. However, it is our understanding that the strategy now is to allow a round of applications for projects to leverage the LIHTIC program—and only whatever is left over will be available for homeownership.

While we recognize that affordable rental housing is sorely needed in our state, a crisis of affordable homeownership also exists in Nebraska and was exacerbated by the floods. In Sarpy County alone, 400 owner-occupied units were completely lost. In the three most impacted Nebraska counties—Douglas, Sarpy, and Dodge—**three times more owner-occupied units were damaged or lost than rental units.** Allowing the majority of the CDBG-DR funds to provide tax credits for the development of affordable rental units does not address those losses.

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Amanda Brewer
CEO

Habitat for Humanity of Omaha

Building opportunity throughout Burt, Cass, Douglas, Sarpy and Washington Counties.

Habitat for Humanity of Omaha urges that a portion of the Affordable Housing Construction Program funds be reserved for the creation and preservation of affordable owner-occupied homes.

Sincerely,

Amanda Brewer

Amanda Brewer
CEO, Habitat for Humanity of Omaha

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Amanda Brewer
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From:	Sara Tichota
To:	Pamela Otto
Subject:	FW: QAP comment
Date:	Friday, November 19, 2021 11:04:13 AM
Attachments:	image002.png image003.png image004.png image005.png image006.png

Sara J. Tichota
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QAP PUBLIC HEARING!
<<REGISTER>>

From: Chris Lamberty <chris@l-housing.com>
Sent: Friday, November 19, 2021 6:37 AM
To: Sara Tichota <Sara.Tichota@nifa.org>
Subject: QAP comment

Sara -

I am unable to attend the public hearing today. Thomas Judds from our office will attend and provide additional written comments. I would like to address one item - giving preference to 4-bedroom units. I am curious if this is based on data indicating a stronger need for 4-bedroom units statewide?

I think the Housing Choice Voucher program is a fair representation of the demand for low-income housing. Families are issued vouchers based on the size of their household. In Lincoln, only 5% of all vouchers qualify for 4 Bedroom units. Ninety-four percent of all voucher holders require a 0-, 1-, 2- or 3-bedroom unit. In that context I question what data would indicate that NIFA should be encouraging more 4-bedroom units to be built over other sizes. There may be communities where the need for 4-bedroom units outweighs the need for others, but that is community specific. As a property manager, 4-bedroom units are the hardest for us to lease. There is a tremendous need for additional affordable housing in Lincoln, and primarily that should be 1-, 2- and 3-bedroom units.

Thank you for the opportunity to comment.

Chris Lamberty
Executive Director
Lincoln Housing Authority

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Public comments on the 2022 – 2023
NIFA LIHTC Qualified Action Plan and
Low Income Housing Tax Credit Application
Submitted by Excel Development Group
11/19/2021

My name is Chris Lenz and I am the Development Director for Excel Development Group for the State of Nebraska. Excel Development has developed and managed Low Income Housing Tax Credit projects in Nebraska for over 25 years.

I will make a general observation on the most recent additions to the application and then will direct my comments towards more specific point categories.

In the almost 20 years that I have been working with NIFA I have never heard a NIFA Executive Director, Board Member, Program Manager or a member of the public ask the question, "Why did we fund a tax credit project in a rural community with no hospital, grocery store, school, day care center or pharmacy within a mile and a half of this development?" Nor have I heard the question, "Why is this project being built in an area of town with no recently constructed homes in the neighborhood?"

I understand and appreciate the need to develop projects in rural communities, however, you are adding point categories that are contradicting and essentially neutralizing existing sections of the application and you are overlooking other categories already in place that drive site selection. For example, for the last 3 years and for the next 2 years we have been and will be directed to develop projects in Presidential Disaster Declaration areas. In all honesty this is where developers typically begin the process to select communities because these are the broadest points available. If a community, regardless of population, is not located in these specific counties or cities they have been and will be passed over again for a project. Adding points for being near a new subdivision or close to the senior center will not trump these points.

The next broadest point section that drives community selection are the two ED Certified and Leadership Community Points. These points are directing developers to communities that have earned this designation and when combined with the Disaster Points narrows down the list of viable communities for a developer. These four to five points will never be left on the table by a developer.

My comments regarding specific "new" point categories are as follows:

Development of Housing in Greater Nebraska: This section and the associated two points do not enhance the lives or well-being of the tenants nor do they add anything of value to a project and have nothing to do with community selection or project location. These points are directed towards individual developers only and should be removed from consideration. If you are not going to remove them then please be more specific as to the definition of "materially participating within the last 12 months." Does participation mean securing financing, providing guarantees, managing construction and property management? Does the clock start ticking on receipt of a building permit, Construction Start Date, Certificate of Occupancy, the Placed In-Service date, an award date, the date of the first of the ten units being occupied or the last unit? Why arbitrarily twelve months? Maybe expand this time frame to 24 or 36 months given the current construction and development environment.

Leverage and Collaboration: Please clarify the Non-Eligible Resources specifically from NIFA and DED funding sources. Are you eliminating any and all programs managed by DED regardless of the source of funds (Federal and/or State?) Also, please clarify land from an unrelated party as an eligible resource. Is this distinction between the landowner and developer and/or applicant no matter the corporate structure and members of that entity?

Proximity to Services: As I previously mentioned I have never heard of an issue with projects being funded in rural communities without basic amenities and services within a reasonable distance. By adding these points, you are again limiting which rural communities will be considered for an application. In most rural communities the only available land is on the outer edges of town and not within your distance requirements. Why the arbitrary distance of 1.5 miles? What is determining how far is too far? In the rural town of 3,000 that I live in I can drive 3 miles in 3 minutes and in contrast it takes me 15 minutes to drive 3 miles in Omaha and Lincoln. If proximity to services is so important to residents of LIHTC properties, why is this requirement non-metro only? Is 1 mile too far to go to the library or a park? Is 2 miles too far for someone to drive for groceries, take their kids to school or daycare or go play cards at the senior center? Would it make more sense to just make sure these rural communities have the necessary services available with no distance requirements or continue to rely on developers to make the best decisions? This section is not necessary as there have been no issues in the past regarding location to services.

Development in Conjunction with Non-LIHTC Housing Opportunities: This new category is once again limiting where LIHTC developments will occur and NOT increasing the number of potential rural communities. By incentivizing developers to build LIHTC projects in the same neighborhoods as new market rate units then you are eliminating a vast majority of the rural communities who have not built a new subdivision in the last 12 months. This point option will drive developments towards the larger rural communities. In essence you are making the comparison of development location between Omaha and Lincoln to say Ord or Minden. It is not reasonable to assume that new market rate housing development is occurring at the same pace in Ord or St. Paul as it is in Grand Island, Kearney or Fremont. You can encourage development near newly constructed market rate properties but the reality is you are directing where rural projects will be built in the future.

In summary, NIFA's attempt to add additional points to incentivize non-metro developments using a high opportunity scoring concept similar to the matrix for metro locations is great in theory but unrealistic in practice. Non-metro site locations are being driven by multiple scoring opportunities that already exist. If we follow the proposed new scoring additions the list of fundable communities is reduced even further. We are now going to see most all of the non-metro awards going to communities with populations between 5,000 and 15,000. There are a handful of communities between 3,000 and 5,000 that will score well enough to be funded, however this list will be almost identical to the communities that have been funded over the last five years.

From:	Sara Tichota
To:	Shannon Harner; Robin Ambroz; Pamela Otto
Subject:	FW: QAP comments
Date:	Friday, November 19, 2021 3:16:30 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
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1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

From: George Achola <gachola@burlingtoncapital.com>
Sent: Friday, November 19, 2021 3:15 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Subject: QAP comments

Please accept the below as my comments.

NIFA QAP Comments-

- Efficiency Points-the efficiency points should be used as a tie breaker not scored as part of the underlying competitive process. If NIFA does not wish to remove these then the points should be reduced 4 total points as follows in highlights-

> The development represents an efficient production of housing. Up to six (6)(4) points will be awarded when comparing current applicants, in a measure of the quality of effort made to minimize development costs, and leverage funding sources in the production of affordable housing. Applications will be separated by development type (new construction vs rehabilitation) within each set-aside. If there are not at least four applications proposing rehabilitation developments, the measurements from the previous year(s) shall be used. Adjusted eligible basis cost per unit (up to two (2) (1)points) (; adjusted eligible basis cost per residential finished square foot (not including garages, unfinished basements and storage areas) (up to two (1) points) and LIHTC per occupant (up to two (2) points) are within reasonable limits as compared to local and national standards (NOTE: If requesting a basis boost, the basis boost for QCT's, DDA's, and non QCT's will have an impact on the scoring of LIHTC per occupant in this category.) [SH83][PO84]

- The proximity (pg. 35) should be identified by a independent third party-such as the market study. Any questions must be resolved prior to submission. This should be a progressive scale. The closer you are to the identified service the more points from .5 miles out to 1.5 miles . Need to create the measurement methods for distance.

- Lose 1 point for certain locations -if you are close to non-desirable locales-train tracks, airports, junk or salvage yards etc.,

- A project where a Housing Authority participates in the Development by providing capital funding etc or participating in the project-especially in non-metro areas

- Set aside -Housing Authority non-metro and a set-aside for developments in communities that had not or do not currently have an LIHTC development. To deal with the issue of problematic lack of funding provide the ED with programs committee approval the ability to authorize the set-aside should funding become sufficient.

George Achola, Vice President and Counsel
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HOPPE

DEVELOPMENT

November 18, 2021

Sara Tichota
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508

RE:

Thank you for the opportunity to comment on both the 9% and 4% QAPs.

We appreciate your consideration of our earlier comments resulting in the revised proposals. Particularly we appreciated the attempt of the QAP to emphasize or prioritize developments in response to a community need and in a community/Developer collaborative.

We also appreciated NIFA's recognition of the difficulty in putting together an application under the previous time line by moving back the time line. We would like to see the 9% and 4% deadlines not overlap.

High Opportunity Locations: We strongly support the changes in the QAP that incentivize housing in high opportunity locations. We firmly believe that without significant intervention from NIFA, the inherent LIHTC programmatic structure, combined with other realities of urban development, will continue to concentrate affordable housing in high poverty neighborhoods, limiting a family's ability to choose neighborhoods appropriate for that family. NIFA allocates additional points to a development in a QCT that are part of a collaborative effort under terms of art, such as "Concerted Community Revitalization Plan" or "Choice Neighborhoods". However, it does not provide a corollary for a potential plan that encompasses land outside of a QCT. We would request that new development, and not just revitalization, could meet the CCRP requirements, such that any development, regardless of location, that is part of a comprehensive community effort could qualify for points.

Integrated Developments: We strongly support the changes in the QAP that promote integrating projects in broader market rate developments. We believe the QAP could go further to reinforce this concept, especially with 4% bond projects, where it is challenging to consider a "mixed income" single project. Instead, what is often seen is projects adjacent to and / or integrated with market rate housing, but technically separate entities within a development, such that the 100% affordable project is financed through LIHTC, but physically integrated with a market rate project financed conventionally. Broadening the definition of a mixed income project to capture this scenario would provide a stronger, and more feasible incentive for mixed income developments.

Bond County Concentration Limit for 4% AHTC Match: The QAP provides for only one Bond + AHTC project per county. As demonstrated last year, multiple meritorious projects may come forward from a single county, and with a $35mm bond cap, be within the bond cap. We believe removing explicit limitation would provide NIFA more flexibility if an application cycle presented either a) only applications from one county or b) a scenario in which NIFA could fund all applications, regardless of the concentration by county, without violating the $35mm cap.

Development of Housing in Greater Nebraska: We strongly support incentives to develop and meet the needs of rural communities throughout the state. We would like clarity to better understand how and which development efforts would qualify. Ten units delivered in a single year in a small community is a large development effort. As a developer who is active in meeting the needs of rural communities, in our experience we have had 10+ units of for sale housing delivered over a 2 to 3 year period, and at any given time some are delivered, and some in progress, or are in process with developments of rental housing that anticipate delivering >10 units. Would these development efforts qualify? If projects are market rate, but price to be accessible to folks with <150% median income, would these qualify?

Track Record of Applicant – No Credit Increase: We support the priority placed on estimation accuracy and the fundamental concerns that this category is meant to address. However, we also recognize that the past 24 months have experienced unprecedented levels of pricing volatility which, combined with long project lead times driven by application cycles, have been challenging. We believe awarding points to an organization that has not been active in the past 24 months, and has not requested an increase, is rewarding developers who have not participated in the delivery of affordable housing in this challenging period.

- Should you reward a developer who did not participate or receive an award, and who would have faced the same challenging market, with an additional point?
- If you requested an increase, were denied the increase, but completed the project, should you be penalized?

We believe that this extra point, if at all given, should be limited to developers who had received an award within the last twenty-four months, and not requested an increase. Developers who had no awards or who returned credits or were unable / unwilling to complete a development that was awarded should not get the credit. But in all fairness to our times, we think this concept should apply on a go-forward basis, ignoring the challenging past 24-month period.

Leverage and Collaboration: We support incentives for collaboration and projects that are the result of coalition investments. However, we believe the percentages and scores significantly exceed what is observed, even when there is meaningful community support and buy-in, and could be more reasonably flattened to reflect likely reality. In the past 2 years, in the 9% program, three projects listed TIF as a source of capital, and in only one instance was the TIF note more than 5% of the capital stack. In the case of the Bond transactions, while TIF was utilized, it was between 5% and 8% of the capital stack. The only instance where the contributions from other sources made up any percentage above 10% was the Choice contribution to 75 North. It is extremely rare for a community or non-profit to be able to contribute even 5% of the capital stack using the tools and funds generally available. Would there be other ways to demonstrate meaningful community collaboration and buy-in? Could these be scaled more appropriately to what is observed?

Finally, a note of concern: a PACE loan can be used to monetize TIF in a way that magnified the appearance of the TIF contribution beyond what could reasonably be considered a community's contribution to the project.

Additional Notes and Observations

Design Considerations: We believe that Hardy Plank represents a façade upgrade in durability and quality that should be recognized along with stone veneer.

Fiber and internet wiring should be encouraged, whether it ultimately is a tenant paid service or not, especially in an environment with significant resources for low-income internet services whereby a tenant might access these services free of charge.

We are confused by the requirement for the owner to pay for supportive services, when they may be arranged or provided leveraging existing programs or capabilities.

We appreciate your consideration.

Sincerely Yours,

Hoppe Development

NODDLE™
COMPANIES

November 17, 2021

Sara Tichota, Allocations Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Dear Ms. Tichota:

We appreciate the opportunity to comment on the current draft of NIFA's 2022-23 Qualified Allocation Plan (QAP). Noddle Companies has 50 years of commercial, retail, and residential, for-profit development experience and we are actively exploring mixed-income housing. While researching the prospect of creating quality housing accessible to a wider range of incomes, we've found that NIFA and Noddle Companies have a shared interest in expanding mixed-income developments within Nebraska.

As we continue to learn more about this market, we applaud the prioritization of mixed-income housing in the current draft of the QAP. Mixed income housing is essential in distressed areas and areas of high opportunity equally across our state. We encourage NIFA to consider extending this prioritization beyond single project-based development and reach to include mixing market rate, workforce, and affordable units across neighborhoods.

Additional areas the 2022-2023 QAP should address include:

- Make necessary adjustments to the Efficient Housing Production tactic to enable the prioritization of high-quality construction;
- Ensure that access to amenities also include transit corridors;
- Extend accessibility to include universal design standards;
- Include multi-lingual access in community engagement activities;
- Expand the definition of collaboration beyond partnerships between developers and nonprofit service providers to also include collaboration across funding sources.

As Noddle Companies continues to support the mindful growth of Omaha's Urban Core, we understand that true community prosperity cannot exist without diversity in the housing ecosystem as well as the developer ecosystem. We favor collaboration and encourage NIFA to provide vital support, such as technical and legal assistance, to beginning and experienced developers alike who are newly entering the affordable housing space.

In addition to expanding the pool of developers, it is critical that we expand the available workforce. Any prioritization of projects that include workforce training and apprenticeship will help increase both workforce capacity and reduce brain drain in Nebraska.

We look forward to working with NIFA in prioritizing the development of long-lasting, quality affordable housing.

Sincerely,

Jewel Rodgers
Development Manager

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www.noddlecompanies.com

Testimony for Public Hearing on NIFA's 2022-2023 QAP-October 8, 2021

Delivered by Kathryn Mesner---- Mesner Development Co.

I want to thank you for the chance to speak today and in past forums. I do regret not having the chance to meet directly with the board of NIFA. I am disappointed the direction that has been charted with this QAP because I do not think it represents the true state of housing needs in large parts of the state and it is not going to make the best use of the few tax credits we receive in the state. I realize I am biased toward Rural areas but I think much of what I am going to say pertains to the whole state. Thank you to the board members who attended or listened in.

Emphasis on larger units

The idea that larger family housing, especially larger units, should be emphasized and prioritized is not only a waste of program resources but a failure to understand what is going on across Nebraska. I can't tell you how many times a year I am invited to communities to listen to the presentations of their new housing studies. When I do this, I hear the same story from each community..."our families don't have housing, there are no homes on the market, we need to build affordable family homes". The conclusion that many draw without looking at the data more closely is that the town needs to build conventional family housing, the kind "Ozzy and Harriet" used to have. This is not really what most studies show.

There are a couple of reasons why most communities across the state don't have homes for families available for rent or purchase. The biggest reason is that all the affordable family homes are occupied by seniors who have no place to downsize. The other reason is that we have a lot of people across the state that have learned if they buy up everything on the market, they can make money by renting out the family homes to whoever comes to town because those are the only rentals available. Single teachers or nurses or persons that work at the grocery store or quick shop end up renting 3-bedroom homes instead of one-bedroom apartments because they don't have other options. Seniors don't sell their homes because they don't have another affordable option. To make matters worse the senior group is much larger than any other group of persons within most of our communities. There are too many in the “baby boomer” bubble for the housing options we currently have available in most areas of the state. If you don’t believe what I am saying I am attaching an interesting report from Minnesota that describes this problem in more detailed terms.

This report also points out that, the longer seniors stay in their family home, the less they are able to care for those homes. So, if we want to rescue and salvage these affordable family homes, we better find a way to provide quality affordable housing options for seniors and other small households as soon as possible.

It doesn’t matter if it is Valentine or York, until you build affordable options for seniors and other small households you are never going to free up the affordable family housing available in communities. I understand everyone wants to see new 3-4-5 bedroom homes occupied by families, but using this program for that purpose is bad decision making for a couple reasons. Two wage earner families seldom qualify under tax credit rules because they make too much. One wage earner families seldom can afford even tax credit rents and utilities for larger more expensive family units. Without significantly more rental assistance these larger units are hard to rent. In addition, today’s construction costs clearly make it a bad decision to use our very limited resources on larger units that will drastically reduce the overall number of homes we are able to build statewide. This should be a big red flag to everyone.

The good news is, we can use the LIHTC program to build housing that will benefit the low-income households it is intended to benefit while still helping to address the affordable family home crises our communities are experiencing. If we use LIHTC to build a larger number of less expensive smaller units that give seniors and smaller households the type of downsized housing they need, they will move out of older family homes and we can start to better address multiple housing needs. About 60% of the tenants moving into our LIHTC units moved out of affordable larger family housing units. These are generally seniors.

We do not need to restrict LIHTC to senior housing but under no circumstances should we be de-valuing it in our QAP. Smaller one, two and three-bedroom units are more cost effective to build, easier for tenants to afford, and make the best use of our limited LIHTC resources.

My recommendation is to get rid of the 2 points for family developments. I would maintain the 2 points for senior developments that are limited to 2-bedroom units because these 2 points help balance the efficiency scoring differential between 2 and 3-bedroom units in the cost/sq ft and tax credits per occupant categories.

Points for Small Communities

I also would recommend we leave the points for our smaller communities in place. These points were put in the QAP to give small communities a chance to compete. I would guess that many of you think by adding a non-metro set aside we are evening things out for everyone outside the immediate Lincoln and Omaha areas. This is not true. Smaller towns have fewer material suppliers, contractors, and local resources. They are simply harder to build in. The non-metro set aside may help the fact that we only funded 24 new units west of Lincoln last year, but it isn't going to help Fullerton, Nebraska compete for a project. We need to keep the 2 points for smaller communities. Otherwise, all the non-metro projects will end up in Grand Island, Hastings, Kearney, Norfolk, Columbus, etc.

Eliminating points for Threshold Items

I am concerned about the changes that have taken place to our QAP which squeeze down the total number of points that will be used to determine what is awarded credits. Eliminating all points for threshold items is a mistake. Most of the items that relate to readiness like zoning, site control, and funding commitments were previously scored with options for 1, 2, or 3 points. These have always been distinguishing factors among projects. Eliminating these points assumes all projects are equally likely to proceed. We all know this is not true. When you squeeze point categories where projects are not always equal you are denying certain projects the ability to distinguish themselves from other projects.

Counties Without Projects

I don't believe we should make "Counties Without Projects" a part of CRANE. Most of the counties that do not have projects have declining populations and may very well not be able to support LIHTC projects for the 45-year compliance period that these projects promise. The collaborative efforts of CRANE cannot change the fact that some of our counties may not survive long term.

Scoring CDBG-DR Applications

If we are going to be able to use the CDBG-DR funds for GAP financing we need to be able to use them with tax credits. In order to be competitive for tax credit scoring it seems we should be able to ignore the costs added by regulations like Davis-Bacon. Otherwise, these added costs will make the project scores out of line with costs of projects using other GAP financing sources. The result is that we will expend our other funds and the CDBG-DR funds will go back to Washington.

Efficiency Points

We should add some efficiency points back into our scoring. While it is important that we have amenities and supportive services we should not ignore the need to make these projects as efficient as possible. In the last rounds, when we reduced housing efficiency points, we actually funded projects with no efficiency points.

Stretching our resources as far as possible, making them accessible to all parts of the state, and serving the greatest number of households should always be our priority.

Thank you.

Comments for Public Hearing on Proposed QAP---November19, 2021

From : Kathryn Mesner, Mesner Development Co.

I can see you want to promote housing in out-state Nebraska. If you want more units built in Greater Nebraska make more credits available to Non-Metro areas. Even though set asides for Metro and Non-Metro in the QAP are equal they are not. Most of the CRANE projects go to Metro areas so there is an imbalance. Just put more credits in Non-Metro areas and you will get more homes out there.

Development of Housing in Greater Nebraska

This provision is supposed to incentivize the Development of Housing in Greater Nebraska particularly towns of under 15,000, but the metrics you have applied don't make sense. Our company is currently building workforce housing in 4 communities under 15,000. We have almost 30 units under construction. We are not building 10 units in any one town. The risk is too great in small towns. Does that mean we should not be eligible for points in this category? Shouldn't this be an accumulated total not a "one town" total?

What is magical about the 1 year building time frame for these points? I would propose a 2 year "look back and look forward" timeframe. If the buildings are started or under contract they should be counted toward the total. No one is going to contract/start building and then quit.

On this same issue does housing development under the Rural Workforce Housing Program qualify under the 150% of AMI designation? This is the main program getting affordable homes built in Non-Metro areas and it is a fully collaborative program. This state program does not have an AMI regulation, but it targets affordability for the general workforce of a community by limiting the cost of housing for both sales and rentals. It should be included under this section of the QAP.

Track Record of Applicant

Adding one point for having not asked for extra credits for a project in the last 24 months is a terrible idea given the challenges of the past 2 years. This is "adding insult to injury"!

Leverage and Collaboration and Threshold Scoring

Grants reduce eligible basis, so it makes no sense to emphasize grants. Below market loans should be eligible.

Firm commitments for things like TIF are not possible at application time. Why would a developer process a TIF application prior to award? In most cases the developer won't own the land at time of application.

In many ways this section is a poor replacement for what has always been in place with threshold points. Much of the work we do with cities is a collaboration of ideas and activities. Zoning, subdivision work, variances, paving and infrastructure contributions, TIF, LB 840, etc. all fall under the category of collaboration. While there is discussion prior to the LIHTC application submittal cities are not inclined to take things before their regulatory offices and boards until a project is funded. If these things are nailed down prior to application the project should be rewarded because they really do make a difference in whether a project is likely to proceed. This is what all the different threshold scoring categories used to do. I really don't see why we got rid of threshold points and then put them back in selectively.

Non-Metro Development in Conjunction w/ Non-LIHTC Housing

Our company builds mixed income subdivisions all the time but the requirements for getting points in this category are "putting the cart before the horse". We do not do a final "approved" subdivision plat until we know what we are building. Not all buildings require the same size lots. How much TIF you can get depends on the number of lots you are platting and the types of housing you are building. Infrastructure development depends on the number of lots and types of structures. Doing a final subdivision plat is time consuming and expensive to complete. The decisions you make in completing a plat are dependent on knowing whether your LIHTC project is awarded. I am not opposed to promoting this activity, but it is unrealistic to expect an approved plat at the time of application.

I also wonder if this category is repetitive of the points you are giving for market rate units in an LIHTC project?

Scoring CDBG-DR Applications

NIFA should separate out the added DR costs for things like Davis-Bacon when calculating efficiencies. Otherwise, no one will apply for DR funds.

DED GAP Funding with Nebraska Affordable Housing Trust Funds

There should be a DED designed Criteria for using NAHTFs with LIHTCs in projects where Federal Gap Financing sources will not work.

Underwriting Criteria----$500,000 funding Gap

There needs to be a way to reconcile application dates with AHP. We usually don't know the outcome of AHP applications at the time NIFA/DED make awards. An application could be thrown out under this rule and then later an AHP award would make the GAP less than $500,000.

General Comments

When this QAP is taken to the Board of NIFA on December 10th I strongly urge you to allow Developers at the meeting to be a part of the discussion. Right now, the Board is only hearing one developer voice during board meetings and his experience does not include significant work in outstate Nebraska. All developers should be given the chance to speak and respond to the Board during the actual discussion of the QAP not just during the public comment period.

I also recommend we add language to the QAP that allows developers and other interested parties to meet directly with the Board of NIFA on an annual basis to discuss the QAP for future years. By doing this the Board will hear all perspectives, and we will better promote the integrity of the QAP process.

Thank you.

Foundations Development

1886 South 126th Street
Omaha, Ne 68144

Ms. Sara Tichota
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508

Dear Sara:

Thank you for the opportunity to comment on the proposed 2022/2023 Qualified Allocation Plan. Please find below my comments for your consideration.

1. Developments in Conjunction with Non-LIHTC Housing Opportunities- We feel the rental piece will be problematic to document. How is a local jurisdiction going to know if a single family house under construction is going to be rented or owned when completed? They will not know what the future holds so how can they confirm either way? Many communities do not have rental permit requirements.
2. Developments in Conjunction with Non-LIHTC Housing Opportunities- The split between rental and homeownership is not clear. Is it 6 total units or is it 6 homeownership units and 6 rental units? Please clarify the totals necessary. Also, what is to keep a third party from saying units will be rental then turning around and selling the units? The LIHTC project will not be able to control that and could be out of compliance due to actions outside of their control.
3. Leverage and Collaboration- Under eligible resources, capital contribution is listed as an eligible resources for these points. At the beginning of this section it states anyone with an identity of interest is an excluded entity for these points. How can an entity make a capital contribution, become part of the ownership and not be excluded? These contradict each other. A capital contribution by definition makes someone a development partner.
4. Leverage and Collaboration- Under eligible resources, TIF is listed as an eligible resource and loans are listed as a non-eligible resource. This is contradictory. The TIF gets collateralized by a loan. TIF goes into projects as loans from a bank. Please clarify if TIF and TIF loans are eligible or non-eligible.

Email: woodling@foundationsdevelopment.com | **Phone:** 402-504-3248 | **Fax:** 866-789-9875 | **Cell:** 402-578-1505

FoundationsDevelopment.com

5. Leverage and Collaboration- Under eligible resources, grants are listed as being eligible for the points. LIHTC projects must be owned by for-profit entities to allow the tax credits to flow to it's for profit partners. For-profit entities are who can utilize these tax credits. Grants to for-profit entities are taxable income. Creating taxable income at the start of an investment will cause pricing for these credits to go down as investors now have to factor in taxable income. Also, with grant funds coming in before the construction completion and before the tax credits start flowing, this will cause lower pricing due to the time value of money.

Thank you for your consideration of the above in finalizing NIFA's 2022/2023 Qualified Allocation Plan and application.

Sincerely,

Rob Woodling

From:	Ryan Harris
To:	Sara Tichota
Cc:	Pamela Otto
Subject:	QAP Comment
Date:	Friday, November 19, 2021 10:04:09 AM

Hi Sara,

Thank you for hosting a great meeting today, and I apologize I misunderstood about my ability to comment over zoom. Rob sort of touched on the leverage section but I just wanted to provide MHEG's thought on this section:

In regards to the "Leverage and Collaboration" scoring section of the application, unfortunately this section probably doesn't work structurally, especially if we're trying to get 20% of the costs as a capital contribution or grant because of the following:

1. We can't take grants unless there's an income hit or potential reduction of basis.
2. If we have to take the income hit, we reprice the deal to account for it, lowering equity.
3. If it's a for profit general partner, we could specially allocate that income to them, however they won't have the offsetting funds to pay the taxes on a large grant.
4. If it's a nonprofit general partner, we can't specially allocate to them or else we have tax exempt use property.

Additional, how would the project have a capital contribution for these points if according to requirements can't come from an identity of interest? This would disallow any pass-through funds through the developer or general partner, requiring us to structure in one of the ways above, which won't work currently.

We do like everyone having skin in the game and collaboration and leveraging the resource as a concept, however from a tax structure standpoint it's hard to make it work under the current language of this section.

Thank you and appreciate your efforts!

Ryan Harris

Acquisitions Manager | MHEG | www.mheginc.com

P 402.334.8899 | **D** 402.715.5353 | **F** 402.334.5599 | *rharris@mheginc.com*

515 N. 162nd Avenue, Suite 202, Omaha, NE 68118

MHEG
Midwest Housing Equity Group

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SPARK

November 18, 2021

Nebraska Investment Finance Authority
c/o Sara Tichota
1230 O Street, Suite 200
Lincoln, NE 68508

RE: 2022/2023 QUALIFIED ALLOCATION PLAN COMMENTS & FEEDBACK

Dear Sara,

Thank you for the opportunity to provide feedback to the 2022/2023 QAP. As a nonprofit organization that supports new and emerging real estate developers in the Omaha metro, we applaud many of the changes made to the QAP this year. Specifically, we are excited about the following revisions:

- Support for mixed-income development projects
- Promotion of projects that demonstrate community collaboration, involvement, and support

We would like to recommend the following additional changes/revisions to this or future iterations of the QAP:

- Promotion of projects that are located within ¼-mile of key transit corridors in Metro areas
- Support for projects from and technical assistance resources for new and emerging developers to help build and diversify the pipeline of development talent
- Clarity on the expected role and/or compensation of nonprofit partners in projects, when utilized to demonstrate and/or leverage community collaboration

Thank you for the opportunity to comment!

Sincerely,

Jamie Berglund
EXECUTIVE DIRECTOR

1111 N 13th Street, Suite 311
Omaha, NE 68102
402.819.4885

sparkcdi.org

Comments To The 2022/2023 Qualified Allocation Plan

By Teresa Kile

General Comments:
Changes must be measured to ensure that they meet the objectives they were intended for.

2022/2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC

Private Activity Volume Bond Cap per Development: The Private Activity Bond Cap per development is $18 million. This amount should be increased. In a development that is providing more than housing, a project is handicapped by the 50% rule of the project's aggregate basis that must be financed by tax exempt bonds. Economy of scale is important in these deals. The tax-exempt bond projects with LIHTC and/or AHTC must have at least 100 units to be financially viable. And if the development includes a community service facility, commercial space and/or other amenities to enhance the lives of the tenants, the cap of $18 million is easily exceeded. If the per development cap was increased, utilization of this program would allow more than housing for developments.

2022/2023 Housing Credit Allocation Plan for 4% or 9% LIHTC and AHTC

Section 9.2 Maximum Fee Limits: General Requirements is defined as contractor's miscellaneous administrative and procedural activities and expenses that do not fall in a major-function construction category and are Project-specific and there for not part of the contractor's general overhead. This line item is not a professional fee but rather costs associated with the development and should not be included when calculating the 24% limit for professional fees of the contractor, developer, tax credit consultant and real estate consultant.

CRANE Applications

In the proposed application, CRANE projects are required to provide more supportive services while generating less revenue in which to do so. A CRANE development must provide the maximum number of supportive services for the maximum number of points available, and it is expected that the project will provide additional services not listed in the application. In the proposed application these developments must lower their rents so that 10% of their units target incomes at 40% of AMI and 40% of their units target incomes at 50% of AMI. It is important to provide supportive services to the tenant; however, to provide these services, the development must be allowed to generate the revenue to do so and remain financially sustainable.

From:	Thomas Judds
To:	Sara Tichota; Pamela Otto
Cc:	Thomas Judds
Subject:	Public Comments to the Proposed QAP/Application for 2022 & 2023
Date:	Thursday, November 18, 2021 2:18:44 PM

Dear Sara and Pam,

It is only appropriate to begin this message by conveying my **heartfelt gratitude to you both and the rest of the NIFA staff that have devoted significant time and effort during this reevaluation process of the QAP. This can't be underscored enough**.

On behalf of the Lincoln Housing Authority, please accept the following items for public comment. Please know the extent of the matters are more so suggestions and questions for clarity. I appreciate the opportunity to share them with you. It should be noted, the comments are in reference to the *2022/2023 9% NIFA/NDED Application updated 11/9/2021.*

1. Permanent Sources/Syndication Information - For your consideration, I offer the suggestion to relabel the heading "Syndication Information" to that of "Investor Information." This suggestion would also apply to "Name of Syndicator." It would also be applicable to the Syndication Information for Nebraska Affordable Housing Tax Credits section. The suggestion is based on those applicants that may choose to sale the credits through a direct placement structure rather than through a syndication firm. Such change would complement Exhibit 108 titled, "Investor Interest/Commitment Form."
2. Development Team - in concert with the above, it is suggested the line items labeled "Federal Syndication Firm" and "State Syndication Firm" be revised to reflect "Federal Investor" and "State Investor."
3. Track Record of Applicant and/or Owner - It appears the proposed application offers 1 point for an Applicant and/or Owner that has not requested an increase of LIHTC for a previous previously awarded development within the past 24 months. Could you please provide comment to whether an Applicant and/or Owner that has not received an award, or even submitted an application, within the past 24 months be eligible for these points?
4. Leveraging and Collaboration - I would just like to obtain more information regarding the specifics for eligible and non-eligible resources, and for entities of identity of interests. Thank you.
5. Family Development - In the event Chris Lamberty, executive director of the Lincoln Housing Authority, has not submitted this comment...I think the Voucher program is a fair representation of the demand for low income housing. Families are issued vouchers based on the size of their family. In Lincoln, only 5% of all vouchers are for 4 Bedroom units. If you included 4 bedroom and larger, it is only 6%. Ninety-four percent of all vouchers holders require a 0, 1, 2 or 3

bedroom unit. In that context I question what data would indicate that NIFA should be encouraging more 4 bedroom units to be built. It seems like a community specific need, and maybe that need exists in some places. I question whether that exists in Lincoln.

Please let me know if you should have any questions.

In highest respect,

Thomas Judds
Lincoln Housing Authority
402-434-5557

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From:	Sara Tichota
To:	Pamela Otto
Subject:	FW: QAP / Application comments
Date:	Thursday, November 18, 2021 8:40:21 AM

Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.3916
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

-----Original Message-----
From: Todd Lieberman <toddl@brinshore.com>
Sent: Wednesday, November 17, 2021 10:07 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>
Subject: QAP / Application comments

Sara

I applaud your efforts to update the QAP. The revised QAP supports concerted revitalization and mixed-income developments. I have two fairly urgent comments (i) to make the leverage and collaboration points more practical and (ii) to explore the micro level scoring disadvantages with the areas of high opportunities mapping that have clear amenities in close proximity.

1. Under the "Leverage and Collaboration" points category, please consider including an option for the leverage to be evidenced by a subordinate loan with below market interest rate and with debt service payments payable only out of cash flow only or repayment completely deferred to maturity. By structuring gap financing as a subordinate loan like this, you do not reduce basis and you also do not reduce your ability to maximize amortizing debt. If a grant comes into a project, it reduced basis. Even if a charitable organization or Federal Home Loan Bank grants funds to a project, it is generally through a non-profit who in turn lends the funds as a subordinate loan to the project. This is the structure Choice Neighborhoods, HOME funds and Philanthropic funds typically come into our mixed-income public housing redevelopment deals.

2. don't think that the intention is to disadvantage revitalization areas, but areas like Highlander do not score well on the Areas of High Opportunity index simply because they are in a revitalizing location. If you could give areas in revitalization areas / Choice Neighborhoods areas an opportunity to show proximity to various categories, it would not so harshly underscore these areas. For example even though Highlander sits next to one of the largest Federally Qualified Health Centers in the City (Charles Drew) and are two blocks from a pharmacy, we score 0 points in health. Likewise, even though we have Creighton University satellite, Metro Community Colleges on-site and are down the street from an elementary school and a new early childhood center that just opened, we would receive 0 points on the website. This index is unfair to revitalization areas because it does not take into account these clear adjacent amenities. Instead broad swaths of North and South Omaha would score zero points based on the maps. The same is true of health and environment with numerous City parks that don't even seem to register on this system. In short, even though many sites are adjacent to amenities, this mapping system and the corresponding scoring awards zero points. One way to rectify this apparent disconnect would be to provide an applicant the option of proving that services in urban areas are within a certain radius of projects like in the Non-Metro category for proximity to services. This would seem to be appropriate for a site like Highlander of some of the other revitalizing areas in Omaha.

3. I would also urge you to increase the scoring for Choice Neighborhoods by 1-2 points so that HUD be encouraged to fund future Choice Neighborhoods projects to help redevelop Nebraska's public housing.

Thanks
Todd

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From:	Sara Tichota
To:	Pamela Otto
Subject:	FW: QAP / Application comments
Date:	Friday, November 19, 2021 11:02:02 AM
Attachments:	image002.png image003.png image004.png image005.png image006.png

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Sara J. Tichota
LIHTC Allocation Manager
Nebraska Investment Finance Authority
Main: 402.434.3900
Direct: 402.434.3916
1230 O St. Ste. 200 Lincoln, NE 68508
www.nifa.org

From: Todd Lieberman <toddl@brinshore.com>
Sent: Friday, November 19, 2021 9:27 AM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>; Whitney Ellis <whitneye@brinshore.com>
Subject: RE: QAP / Application comments

Sara

I have one other comment. In order for philanthropic funders and the FHLB to provide funding, they generally want to provide their funding through an eligible non-profit **partner** in a development. By removing development partners as eligible conduits for philanthropic investment or FHLB, you are making those funds ineligible. Likewise, HUD funding generally flows through the housing authority who is in turn a partner in many mixed-income public housing redevelopments. HUD, a charitable organization or FHLB will grant funds to a non-profit who then loans the funds into the project. Respectfully, please remove the identity of interest restriction in leverage and collaboration section.

I LEVERAGE AND COLLABORATION
Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED

funding
sources will be eligible for up to 4 additional points. Signed, firm commitments from local government, private partners, non-profit and charitable organizations, excluding entities with an identity of interest (i.e. contractors, accountants, architects, consultants, engineers, development partner, syndicator, etc.) will be calculated in relation to total development costs

Thanks
Todd

-----Original Message-----
From: Todd Lieberman
Sent: Wednesday, November 17, 2021 10:07 PM
To: Sara Tichota <Sara.Tichota@nifa.org>
Cc: Joanie Poore <JPoore@ohauthority.org>; Cydney Franklin <cydney@seventyfivenorth.org>; kljohnstondorsey <kljohnstondorsey@cityofomaha.org>; William H. Lukash (Plng) <William.Lukash@cityofomaha.org>; Brian Hansen <BHansen@ohauthority.org>; Kathleen Bole <kbole@brinshore.com>
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3. I would also urge you to increase the scoring for Choice Neighborhoods by 1-2 points so that HUD be encouraged to fund future Choice Neighborhoods projects to help redevelop Nebraska's public housing.

Thanks
Todd

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NIFA

NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

Policy Objectives and QAP Changes Matrix

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

Policy Objectives and QAP Changes

The 2022/2023 QAP is structured with a goal of addressing the policy objectives of the board. Highlighted in this document are only the changes to the QAP. The QAP already contains countless mechanisms to achieve the board policy objectives. This document illustrates the QAP changes and the corresponding policy objective(s).

Summary of Change	**Policy Objective Supported**				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
CRANE					
Choice Neighborhood program has been added as an eligible development in the CRANE process.*	X		X	X	
CRANE projects must commit to a minimum affordability period of 45 years (15-year compliance period + 30-year extended use period) and meet targeting gross rent requirements.**	X	X		X	
CRANE developments are required to have at least four (4) points supportive services and will need to provide a supportive services plan focused on services for the population being served.	X		X	X	
Why: The changes above directly support the CRANE program's focus of housing underserved populations through collaboration of resource providers working with communities and neighborhoods, who have joined with for profit and non-profit entities, as well as other public and private resource providers. The Choice Neighborhoods program, by design, leverages significant public and private dollars to address struggling neighborhoods through a comprehensive approach to neighborhood transformation. Supportive services provide opportunities and support to tenants. Affordability period and rent targeting requirements will ensure the development will continue to house underserved population for a longer period of time and at affordable rents.					

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
<u>Tenant and Family Opportunities</u>					
Added Areas of High Opportunity for Metro only developments. Indexes for the following three categories will be eligible for 1 point per category: Education, Health and Environment, and Social and Economic. An additional point is available if all three categories have a "Very High" rating.**	X		X	X	X
Added Family Development section for one point for developments with 10% of the units being 4-bedroom or larger, and they cannot receive points for senior development.*	X	X	X	X	
The maximum number of points for amenities is now eight (8) points.		X	X		
Added built in designated work or school space provided in each unit to amenities.			X		
Several new supportive services have been added with the focus of family.	X	X	X	X	
Added Proximity to Services (Non-Metro only). Developments can score up to 2 points-based proximity to grocery stores, medical clinics, day cares, school, parks, etc. **	X		X	X	

**Changes made after October Board Meeting*

**Changes made after the 1st Public Hearing*

***** Changes made after the 2nd Public Hearing*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
Why: The above changes directly support the Board's desire to provide adequately sized housing for families but also provide ongoing support and opportunities for growth. Areas of High Opportunity and Proximity to Services incentivize affordable housing development in areas that offer improved access to jobs, schools, health care, parks, etc. Changes and additions to amenities and supportive service categories will provide opportunities and support for families through services such as tutoring services, parenting classes, built in work/school space and internet service that will be provided at no cost to the tenants.					
Coordination with Local Efforts & Incentivize Development Across Rural Nebraska					
Increased point value of Qualified Census Tract to two points and added one point for those developments in a QCT that are also part of a neighborhood redevelopment plan or that leverage significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing, i.e. Choice Neighborhood program.*	X		X	X	
Added Rental Assistance Demonstration (RAD) developments to Project-based rental assistance section for points.*	X	X	X	X	
Supportive Services maximum points has been changed to four (4) points with at least one (1) service being provided in partnership with a community cased or regional service provider. In addition, at least one of the selected services must have a point value of at least two (2) points.*	X		X	X	

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
Added Community Housing Initiatives (Non-Metro only). Communities that demonstrate active housing activities (new construction, lot preparation, purchase rehab resale, etc.) within the last 24 months are eligible for one (1) point.***	X		X	X	
Added Development of Housing in Greater Nebraska. Two (2) points are available for an applicant or developer that has participated in a development of at least 10 units of owner occupied or rental housing in communities of less than 15,000 within the last 24 months.***	X		X	X	
Added Leverage and Collaboration. Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED funding sources will be eligible for up to four (4) additional points.***	X				X
Why: These changes ensure that NIFA is supporting and working in coordination with locally developed strategies. Working in tandem with the local planning department, housing authority, and other community-based organizations will result in positive outcomes for communities and residents, specially incentivizing developments in rural Nebraska.					
Opportunities for Eventual Homeownership					
CROWN developments must elect the 30-year (15-year compliance + 15-year extended use period) affordability period.	X	X	X	X	

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
CROWN developments are eligible for Right of First Refusal points.	X				
CROWN developments must waive any right to a Qualified Contract.			X		
Added a down payment savings plan as a supportive service.	X		X	X	
Why: The CROWN program provides homeownership opportunities for underserved populations. The changes are programmatic in nature or will encourage program participation. Added supportive services will provide a mechanism to encourage homeownership.					
Equitable Distribution and Preservation of Housing					
Reduced the point value from 4 to 3 points for developments involving preservation of existing affordable housing with an existing project-based rental assistance agreement (i.e. USDA or HUD).	X	X	X	X	
Small Community points will be for Non-Metro only.		X		X	
Removed points for Density*		X	X		
Resyndication developments must wait until 20 years after the date of the last building was placed in service before applying for LIHTC again.		X			
Metro and Non-Metro developments will be scored separately.		X			X

**Changes made after the 1st Public Hearing*

**** Changes made after the 2nd Public Hearing*

***Changes made after October Board Meeting*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
Efficient Housing Production: Applications will be separated by development type (new construction, rehabilitation) within each set-aside.		X			X
Why: Changes to Preservation points and re-syndication requirements will assist in providing an improved balance between the preservation of existing units and construction of new units. An equitable distribution of developments throughout Nebraska will be the goal through new scoring processes and a focus on community needs.					
Green Standards/Sustainable Development					
Developments will have to submit specifications of their development to the Nebraska Department of Environment and Energy for 10% test.*		X			X
CDBG -DR requirements for Green Standards are higher, so for developments seeking funding for CDBG-DR, they will receive 6 points in Green Standards.	X	X	X		
Increased point values of Green Standards and Amenities to reflect the cost of each item.		X	X		
Why: Green building and sustainable design increases efficiency, impacts long-term durability, and can improve health outcomes and reduce energy costs for tenants.					
Long-Term Viability and Quality Operation of Developments					
Added two points for management companies that attend the NIFA LIHTC Compliance Training.	X				X

Legend:
- **Changes made after the 1st Public Hearing*
- ***Changes made after October Board Meeting*
- **** Changes made after the 2nd Public Hearing*

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
Added one point for management companies that can provide documentation of a Housing Credit Certified Professional designation or equivalent.	X				X
Why: Incentivizing the HCCP certification and NIFA training ensures knowledge of LIHTC requirements and Nebraska specific policies and procedures. Knowledgeable and well-trained Property Management staff is key to the long-term viability of a development.					
Stewardship of the Resource & Integrity of the Program					
Maximum allocation will be reduce based on efficiency measures.		X			X
Restructure of 4% LIHTC\AHTC\Bond application rounds and processes, i.e. optional Threshold review & separate application.*	X				X
One application round, with alternates selected.		X			X
Zoning will be considered the number two tiebreaker, after consideration given to meeting the established set-asides, as zoning shows readiness to proceed.*		X			X
Added points for developments that waive the right to request Qualified Contract.		X	X		X
Right of First Refusal: Non-profit entity may not be affiliated with or controlled by a for-profit organization and will need to be acceptable to NIFA.	X				X

**Changes made after the 1st Public Hearing*

**** Changes made after the 2nd Public Hearing*

***Changes made after October Board Meeting*

Revised 12/2/2021

Summary of Change	Policy Objective Supported				
	Collaborative Partnerships for Strong Neighborhoods & Communities	**Balanced Approach Between Quality and Creation of Units**	**Access to Opportunity for Tenants, Supporting Quality of Life & Dignity**	**Targeting Special or Underserved Populations**	**Transparent & Streamlined Processes and Procedures using Best Practices and Current Data**
Changes to Threshold review and structure. No points will be awarded for turning in threshold for review.					X
Added NIFA's Mission, Visions, Values and a chart of strategic objectives*					X
All funding sources need to be solidified by conditional reservation deadline.					X
Applications that fail to meet threshold will not be fully scored and will not be included in the efficiency calculations.					X
Any development that has a financing gap, due to the non-award of another source of funding that is greater than $500,000 will not be eligible for a Conditional Reservation.					X
Implementing maximum number of days allowed for extensions for the following: Conditional Reservation; Carryover Agreement; 10% Test; and Cost Certification.					X
Formatting changes in QAP, Applications, and forms.					X
Subsequent owners of development will not be allowed to enter the Qualified Contract Process.					X
Why: Restructuring the QAP and application to highlight NIFA's Mission, Vision, Values, and policies is achieved through these changes. NIFA staff is committed to improving processes, increasing transparency and continued stewardship through solidifying NIFA policies in the QAP and application. Many of the changes above incentivize developments that are ready to proceed.					

**Changes made after the 1st Public Hearing*

***Changes made after October Board Meeting*

**** Changes made after the 2nd Public Hearing*

LOW-INCOME HOUSING TAX CREDITS

2022-2023 HOUSING CREDIT ALLOCATION PLAN FOR 9% LIHTC/AHTC

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

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1. INTRODUCTION.

NIFA's Mission: Growing Nebraska Communities through Affordable Housing and Agribusiness

NIFA's (10 year) Vision: ***NIFA is an indispensable partner for Nebraska citizens and communities in planning, creating and sustaining affordable housing, advancing agribusiness, and furthering a vibrant Nebraska.***

NIFA's Values: Collaboration, Commitment, Innovation, Integrity, Stewardship

The Nebraska Investment Finance Authority (NIFA or the "Authority") is charged with allocating tax credits for Low Income Housing in the state of Nebraska. The Board of the Authority has set forth policy, bolstered by the Mission, Vision and Values of the Authority, to guide creation of the Qualified Allocation Plan (QAP).

This QAP is intended to reflect policies that will further a vibrant Nebraska, using affordable housing as the lens of that vibrancy. Priorities embedded in this QAP include:

- Collaboration: Create collaborative, local partnerships that achieve local vision for strong neighborhoods and communities.
- Stewardship: Ensure a balanced approach between quality of unit construction and creation of much-needed units.
- Commitment: Provide access to opportunity for tenants, supporting quality of life and dignity.
- Innovation: Target special or underserved populations with programs and projects that overcome barriers to access and provide stable environments for progress.
- Integrity: Develop policies and procedures taking into account best practices and current data, implementing thoughtful, intentional, and open public processes.

These priorities are further reflected in the following strategic objectives.

Increasing opportunities for tenants & improving quality of life	Coordination with communities & local/regional partners	Targeting Special or Underserved Populations
Encouraging eventual tenant homeownership	Incentivizing communities to have a community or neighborhood redevelopment plan/comprehensive approach (such as Choice Neighborhoods program) for developments in Qualified Census Tracts	Incentivizing larger units for families
Encouraging development in areas of high opportunity	Encouraging development in communities with a housing loss as a result of a federally declared natural disaster	Encouraging developments in smaller, rural communities
Incentivizing mixed-income developments	Incentivizing communities to become Economic Development Certified Communities	A set-aside for CRANE to target specific populations and types of development
Incentivizing supportive services and amenities	Encouraging at least one supportive service to be provided by a local or regional service organization	Encouraging the use of project-based rental assistance that can also assist in the conversion of public housing units to Section 8 voucher units

NIFA LIHTC PROPOSED SCORING ORGANIZED BY POLICY OBJECTIVES - 2022/2023 QAP	
	Points
SUPPORTING COLLABORATION & LOCAL STRATEGIES	
Located in a Qualified Census Tract/Difficult Development Area	3
Preservation of Developments	3
Natural Disaster Designation	3
Developments located in DED Community/Entitlement Community/Leadership Community/CDBG Entitlement Community	2
Public Housing Authority (PHA) Agreement	1
Project-based Rental Assistance	2
Leverage and Collaboration	4
Total	**18**
INCENTIVIZE DEVELOPMENT ACROSS RURAL NEBRASKA	
Non-metro Small Communities	3
Development of Housing in Greater Nebraska	2
Community Housing Initiatives	1
Total	**6**
SUPPORTING POSITIVE FAMILY OUTCOMES/OPPORTUNITIES/QUALITY OF LIFE	
Amenities	8
Supportive Services	4
Eventual Tenant Homeownership	2
Metro Areas of High Opportunity	4
Development of Senior Housing	2
Development of Family Housing	1
Mixed Income Developments	3
Non-metro Proximity to Services	2
Total	**26**
QUALITY CONSTRUCTION & STEWARDSHIP	
Developer/Owner Financial Support	2
Applicant/Owner Qualifications and Experience with Other State LIHTC Agencies	1
Management Qualifications and Experience with Other State LIHTC Agencies	4
Design Standards	7
Green Standards	6
Efficient Housing Production	6
Total	**26**
SERVING THE LOWEST INCOME HOUSEHOLDS FOR THE LONGEST PERIOD OF TIME (IRS Requirement)	
Compliance & Extended Use Period	2
Waiver of Qualified Contract	3
Right of First Refusal	2
Targeting Gross Rents to Lower Levels	5
Total	**12**

The 2022/2023 Housing Credit ("LIHTC") Allocation Plan for 9% LIHTC and AHTC, as part of the Qualified Allocation Plan (" QAP") described below, provides for the allocation of the federal 9% low income housing tax credit for the following Nebraska Investment Finance Authority ("NIFA") programs: Competitive LIHTC and Collaborative Resources Allocation for Nebraska ("CRANE"). For ease of discussion, credits awarded pursuant to the Competitive LIHTC program ("Competitive Credit") and the CRANE program are sometimes collectively referred to herein as 9% LIHTC". The allocation of the federal low income housing tax credit issued in connection with the issuance of qualifying tax-exempt bonds (the 4% LIHTC) is governed by a separate 2022/2023 Housing Credit Allocation Plan for 4% LIHTC.

In 2016, the Nebraska State Legislature enacted LB 884 creating the Nebraska Affordable Housing Tax Credit (the "AHTC"). Additionally, the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC provides for the allocation of the AHTC. The AHTC will be awarded only in connection with qualifying developments for which the owners have also received an allocation of 9% LIHTC except as otherwise may be provided in the 2022/2023 Housing Credit Allocation Plan for 4% LIHTC.

1.1 AVAILABLE LOW INCOME HOUSING TAX CREDITS AND NEBRASKA AFFORDABLE HOUSING TAX CREDITS.

In both 2022 and 2023, NIFA expects to have approximately $5,000,000 of 9% LIHTC allocation for qualifying developments in Nebraska pursuant to the 9% LIHTC program. This amount is based on the U.S. Census Bureau's Current Population Report for Nebraska multiplied by $2.60 (as may be adjusted). The amount of LIHTC available for allocation pursuant to the 9% LIHTC program may be increased by 9% LIHTC returned to NIFA from a prior year or 9% LIHTC allocated to Nebraska from the 2021 and 2022 respective national LIHTC pool.

All owners of qualifying developments receiving an allocation of 9% LIHTC will also receive an allocation of AHTC equal to no more than one hundred percent (100%) of the 9% LIHTC allocation. The total combined amount of LIHTC and AHTC allocated in connection with a qualifying development shall be determined by NIFA staff based upon underwriting of the developments in order to meet the requirements of the 2022/2023 QAP.

The maximum annual amount of AHTC that will be awarded in both 2022 and 2023 to owners of qualified developments pursuant to the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC shall not exceed the maximum annual amount of 9% LIHTC awarded by NIFA for 2022 and 2023 (Competitive LIHTC and CRANE combined), provided that such annual amount of AHTC is only available for six years, except that any reduction in AHTC allowable in the first year of the credit period due to the calculation in Section 42(f)(2) of the Internal Revenue Code of 1986 (the "Code") shall be allowable in the seventh year of the credit period as defined in Code Section 42(f)(1). The maximum annual allocation of AHTC that will be awarded for any single development under either the Competitive LIHTC and CRANE programs shall be consistent with the Maximum Allocation of LIHTC as described in Section 9 of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC.

AHTC will be awarded to every applicant of qualifying developments in connection with the award of 9% LIHTC for such development.

In accordance with the Nebraska Affordable Housing Tax Credit Act (the "AHTC Act"), the amount of the AHTC shall be the amount of the LIHTC awarded for the qualifying development. Notwithstanding the foregoing, the AHTC Act provides that NIFA may not award for a particular development any combined amount of LIHTC and AHTC that is more than necessary to make the qualified development financially feasible. In determining that the combined amount of LIHTC and AHTC meet the foregoing, NIFA shall determine the amount of LIHTC and the amount of AHTC to be awarded for a qualifying development based upon the AHTC Act and the parameters of this 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC.

1.2 DEVELOPMENT OF QUALIFIED ALLOCATION PLAN.

The 2022/2023 QAP is adopted by NIFA pursuant to a public process established by NIFA and involves input from a number of parties. The 2022/2023 QAP consists of the following:

a. this 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC
b. the 2022/2023 Housing Credit Allocation Plan for 4% LIHTC and AHTC
c. the 2022/2023 9% NIFA/NDED Application
d. the 2022/2023 4%/Bond Pre-Application
e. 2022/2023 4%/Bond Application
f. the 2022/2023 NIFA/NDED Exhibit Examples
g. the 2022/2023 LIHTC Forms and Documents
h. the 2022/2023 CRANE Guidelines and Application
i. the 2022 Carryover Allocation Procedures Manual
j. the 2022 10% Test Certification
k. the 2022 Cost Certification Procedures Manual
l. the 2022/2023 Land Use Restriction Agreement (LURA)
m. the 2022/2023 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)
n. the 2023 Carryover Allocation Procedures Manual
o. the 2023 10% Test Certification
p. the 2023 Cost Certification Procedures Manual

A public hearing on the proposed 2022/2023 QAP was held in Lincoln, Nebraska. All comments received by NIFA were taken into consideration in developing and drafting the 2022/2023 QAP.

The 2022/2023 QAP was approved by the NIFA Board of Directors and forwarded to the Governor of the State of Nebraska for approval in accordance with the Section 42 Code. The 2022/2023 QAP is designed to provide for the selection of developments that address the most pressing housing needs of Nebraska, within the guidelines and requirements of Section 42 of the Code. NIFA, in its sole discretion, reserves the right to modify or waive any conditions, which are otherwise not mandated by the Code, contained in the 2022/2023 QAP. Modifications by NIFA may include, but are not limited to, changes which provide for better coordination with other state and federal programs and/or funding sources.

The 2022/2023 QAP may be amended from time to time as new guidelines and regulations are issued under Section 42 of the Code, the AHTC Act or as NIFA deems necessary to meet the LIHTC and AHTC Program goals and objectives.

Persons interested in applying for an allocation of LIHTC (which shall include AHTC combined with LIHTC) must complete a 2022/2023 9% NIFA/DED Application online (the "LIHTC Application"). (See the "CRANE Program Application Process and Allocation Cycles" below for LIHTC available pursuant to the CRANE Program.) The online LIHTC Application is available at NIFA's website (www.NIFA.org).

1.3 INELIGIBLE APPLICANTS.

A LIHTC Application will not be reviewed, scored or considered by NIFA at any time if:

i. the developer, general partner/managing member or any affiliate thereof is delinquent on Nebraska LIHTC fees, AHTC fees or Tax-Exempt Bond fees due and payable for other Nebraska LIHTC developments; or

ii. the general partner/managing member or any affiliate thereof currently has or has had items of noncompliance or violations of a Land Use Restriction Agreement/Tax-Exempt Bond Regulatory Agreement that have not been corrected within the applicable correction period on any other Nebraska LIHTC development; or

iii. the developer, general partner/managing member or any affiliate thereof is delinquent on any documentation or payments that are due and payable to NIFA, including but not limited to the following:

(a) Conditional Reservation Documentation/42(m) Letter
(b) Carryover Documentation
(c) 10% Test Documentation
(d) Cost Certification Documentation
(e) Asset Management Documentation
(f) TCAP Loan Repayment Amounts
(g) Any other documentation requested by NIFA

2. LIHTC AND AHTC FEE SCHEDULE.

NIFA reserves the right to revise the fee schedule from time to time. Note: Any fee revision will be made pursuant to a 30 day notice posted on NIFA's website.

2.1 Appendix A

Appendix A sets forth the various fees in connection with the allocation of the 9% LIHTC and AHTC. (Fees to be charged by NIFA in connection with the 4% LIHTC and the issuance of bonds are set forth in the separate 2022/2023 Housing Credit Allocation Plan for 4% LIHTC.)

Appendix A contains all current fee and related due date information. Fees must be paid in full prior to NIFA's review of any documentation. If, for any reason, a development does not move forward, NIFA will retain all fees paid in conjunction with the development.

Fees outlined in Appendix A include:

9% LIHTC and AHTC Allocation Fees		
Threshold Competitive	LIHTC Full Application	AHTC Full Application
CRANE	Conditional Reservation	Extension
Allocation/Cost Certification	Late	Document Change
Additional Tax Credit Request		

9% LIHTC and AHTC Compliance Fees		
LIHTC	AHTC	Average Income
Extended Use Period	Late Payment Penalty	Transfer/Assumption
Qualified Contract		

2.2 LEGAL FEES.

Extraordinary legal fees incurred by NIFA in connection with the review of the LIHTC Application, the CRANE Application or any materials submitted in connection with the allocation, the allocation process or ongoing compliance with respect to a development will be assessed and charged to the development owner, including but not limited to the following:

- Fees for research relating to irregular situations
- Ownership agreements
- Rental rate questions
- Unusual timing situations
- Specific technical questions related to Code Section 42

3. <u>SET-ASIDE PRIORITIES.</u>

All allocations for 9% LIHTC will be based on special set-aside priorities, federal law and the NIFA scoring system, which incorporates various Nebraska housing priorities.

(a) **NON-PROFIT SET-ASIDE.**

NIFA will reserve at least ten percent (10%) of its annual 9% LIHTC authority for allocations to qualified non-profit sponsors as required by Code Section 42(h)(5). To qualify for this set-aside, the development sponsor must: (i) be a qualified non-profit tax-exempt organization within Section 501(c)(3) or 501(c)(4) of the Code, (ii) have as one of its exempt purposes the fostering of low-income housing, (iii) own an ownership interest in the development (directly or through a wholly-owned subsidiary) and (iv) materially participate on a regular, continuous and substantial basis in the operation of the development throughout the 15-year Compliance Period applicable to the development.

Material participation in the development and operations of the development (the "Activity"), as outlined in Section 469(h) of the Code and Treasury Regulation §1.469-5T, shall be certified to NIFA on an annual basis and shall include one of the following:

i) Participation in the Activity for more than 500 hours during the tax year;

ii) Participation in the Activity for the tax year constitutes substantially all of the participation in the activity of all the individuals (including non-owners) for the tax year;

iii) Participation in the Activity for more than 100 hours during the tax year and such participation in the activity is not less than the participation of any other individual (including non-owners) for the tax year;

iv) The Activity is a "significant participation activity" for the tax year and the individual's aggregate participation in all significant activities during the tax year exceeds 500 hours. A significant participation activity is one in which the individual has more than 100 hours of participation during the tax year, but fails to satisfy any other test for material participation;

v) Material participation in the Activity existed for any five of the ten tax years immediately preceding the tax year in question; or

vi) Based on all of the facts and circumstances, the individual participated in the activity on a regular, continuous and substantial basis during the tax year and at a minimum participated in such activity for more than 100 hours.

(b) **METRO/NON--METRO SET-ASIDE.**

Metro/Non-Metro set-aside will be as follows:

Percentage of Competitive LIHTC Allocation	Area	County
50% - Metro	South Sioux City MSA	(Dakota and Dixon Counties)
	Lincoln MSA	(Lancaster and Seward Counties)
	Omaha MSA	(Cass, Douglas, Sarpy, Saunders, and Washington Counties)
50% - Non-Metro	Balance of Nebraska	

Note: NIFA will use its best efforts to maintain the Metro/Non-Metro set-aside Metro and Non-Metro developments will be scored separately (Metro vs. Metro and Non-Metro vs. Non-Metro.)

(c) **COLLABORATIVE RESOURCES ALLOCATION FOR NEBRASKA SET-ASIDE.**

In an effort to target specific economic growth, community development and the provision of specific types of affordable housing, NIFA will set-aside up to 33% of Nebraska's annual LIHTC authority to be allocated pursuant to the CRANE Program. All CRANE applications will be scored in accordance with this LIHTC Allocation Plan and compete against other CRANE applications. The maximum LIHTC allocation for any single development in the CRANE set-aside will be no more than 20% of Nebraska's annual LIHTC authority. Further details regarding the CRANE Program can be found in Sections 7 and 8 herein. If the LIHTC and AHTC in the CRANE Program are not fully reserved for a particular year, the unreserved amount will be available to be allocated for other developments in accordance with this LIHTC Allocation Plan.

4. APPLICATION FOR COMPETITIVE LIHTC.

4.1 ANNUAL COMPETITIVE LIHTC CYCLE; ALLOCATION ROUND AND APPLICATION PROCESS.

Annual Competitive Allocation Cycle. Allocation reservations for the Competitive LIHTC available during a particular calendar year are made by NIFA on an annual basis ("the Annual Cycle"). The Annual Cycle may consist of one or more rounds.

Allocation Round. NIFA expects to hold at least one (1) Allocation Round during the Annual Cycle in connection with the allocation of the Competitive LIHTC. For a development to be eligible for review during an Allocation Round, a complete LIHTC Application and all required supporting information must be submitted to NIFA via the online funding application system by the deadline for that particular Allocation Round (both Threshold and Final). Submissions for a reservation of Competitive LIHTC that do not include a fully completed LIHTC Application, with correctly attached

Exhibits and specified application fee, will not be reviewed or scored by NIFA. The LIHTC Application is available on NIFA's website at www.NIFA.org.

NIFA expects to hold the following Allocation Round during the Annual Cycle in connection with the Competitive LIHTC:

2022	**Application Deadlines** **(no later than 5:00 p.m. CST)**	**Competitive** **LIHTC Reservations** **Issued**	**Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both Competitive and CRANE cycles)**
Round 1 Threshold Application:	**March 16, 2022** **(Optional)**		
Round 1 Final Full Application:	**April 27, 2022**	**June 17, 2022** (tentative)	HOME: Approximately $2.2 million ** National Housing Trust Fund (HTF): Approximately $2.7 million CDBG-DR: $26 million
Additional Round*			
2023	**Application Deadlines** **(no later than 5:00 p.m. CST)**	**Competitive LIHTC Reservations Issued**	**Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both Competitive and CRANE cycles)**
Round 1 Threshold Application:	**July 20, 2022** **(Optional)**		
Round 1 Final Full Application:	**August 31, 2022**	**October 21, 2022** (tentative)	HOME and HTF: Please refer to the 2023 Annual Action Plan that will be available here: https://opportunity.nebraska.gov/program/nebraska-affordable-housing-trust-fund/ CDBG-DR: TBD
Additional Round*			

*NIFA reserves the right to hold additional Allocation Rounds during the Annual Cycle or make changes to the above Allocation Round as it deems necessary to meet LIHTC Program goals and objectives.

** The 2022 Nebraska Affordable Housing Trust Fund (NAHATF) Qualified Allocation Plan (QAP) is open for public comment November 29, 2021 – December 30, 2021. The proposed 2022 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to use up to $1,000,000 in discretionary funds in conjunction with the 2023 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of $500,000. These awards will only be invested in projects where federal procedural restrictions are a barrier to providing DED federal funding to an otherwise financially feasible, quality project, determined at the sole discretion of the Department. As NDED continues to develop and finalize the 2022 NAHTF QAP our agencies will make certain that if NAHTF is set-aside for the 9% LIHTC program the application process will be included in the NIFA/NDED joint application.

4.2 SCORING OF COMPETITIVE LIHTC APPLICATION.

The following criteria will be reviewed for purposes of scoring each LIHTC Application:

* Threshold Criteria
* Other Selection Criteria
* NIFA Scored Criteria

NOTE: LIHTC Applications for Competitive LIHTC will be scored SOLELY on information provided in the online funding LIHTC Application submitted for the applicable Allocation Round deadline.

An LIHTC Application submitted for Threshold review <u>must</u> be resubmitted <u>in full</u> (whether or not changes have been made by the applicant subsequent to threshold review) by the Final Full Application deadline in order to be considered for an allocation of LIHTC and AHTC.

5. <u>COMPETITIVE LIHTC REVIEW AND ALLOCATION PROCESS.</u>

NIFA will use the following process in the allocation of Competitive LIHTC:

5.1 APPLICATION SUBMITTAL PROCESS.

To be considered for a reservation of Competitive LIHTC, all documentation must be submitted through the online funding application. Only the information submitted for the current deadline will be reviewed regardless of any prior submittal of documentation. An LIHTC Application submitted for threshold review must be resubmitted in full (whether or not changes have been made by the applicant subsequent to threshold review) by the Final Full Application deadline in order to be considered for an allocation of Competitive LIHTC and AHTC. (Any documentation or information submitted for a previous deadline will not be taken into consideration for the current deadline.) The Competitive LIHTC Application Fee must be received in NIFA's office on or prior to the deadline as set forth Appendix A.

5.2 EVALUATION OF THRESHOLD CRITERIA.

(a) Each application for Competitive LIHTC for a particular development will be evaluated based upon the information submitted in the online LIHTC Application for the applicable Competitive Application deadline.

(b) NIFA will communicate with development owners that do not meet the threshold criteria to generally outline deficiencies in the threshold exhibits with respect to the threshold criteria.

5.3 EVALUATION OF FINAL FULL APPLICATIONS.

(a) Each application for Competitive LIHTC for a particular development will be evaluated based upon the information submitted in the online LIHTC Application for the applicable Competitive Application deadline.

(b) Developments will be ranked based upon the total number of points awarded in all criteria categories and placed into the appropriate set-aside priorities. Applications that do not meet all Threshold Criteria will not be considered for an allocation of 9% LIHTC and AHTC. NIFA will not score or include in the efficiency calculations any LIHTC Application that does not meet all Threshold Criteria.

(c) NIFA will conduct an evaluation to determine the appropriate amount, if any, of Competitive LIHTC to be reserved, using data provided by the developer/owner and according to NIFA Efficient Housing Measurements and Section 42 of the Code. Alternate applicants in both Metro and Non-Metro scoring pools, will be identified and ranked. Alternate applicants may be selected for a Conditional Reservation in the event additional LIHTC/AHTC become available.

(d) Any development that has a financing gap, due to the non-award of another source of funding that is greater than $500,000 will not be eligible for a Conditional Reservation.

6. <u>EXTENSIONS AND DEVELOPMENT CHANGES</u>

6.1 EXTENSIONS

A developer/owner may request an extension of any of the following deadlines: Conditional Reservation; Carryover Allocation; 10% Test Certification; and Final Cost Certification; if

(a) an Extension Fee (see Appendix A) is received in NIFA's office on or before the applicable deadline; and

(b) in NIFA's sole discretion, the following conditions have been satisfied;

1. A written explanation of the conditions that exist which have caused the need for the extension, along with the proposed date that information will be submitted to NIFA to meet the extended deadline.

2. Based on the facts and circumstances, NIFA will determine whether the request for an extension is reasonable.
3. The request for an extension must be submitted to NIFA on or before the deadline for the original submittal.
4. The Extension Fee is paid concurrently with the extension request.

Extension Requested	Maximum # of days Allowed
Conditional Reservation	60 days
Carryover Agreement	30 days
10% Test	60 days - Not to exceed one-year from the date of the Carryover Agreement
Cost Certification	60 days

If NIFA grants an extension prior to any deadline as outlined above, no late fees will be assessed unless the agreed upon extension date is not met.

6.2 APPLICATION OR DOCUMENTATION CHANGE.

Subsequent to a Conditional Reservation, a developer/owner may request to amend the terms, conditions or information included in the LIHTC Application or other documentation submitted in connection with the request for LIHTC and AHTC. Any such request will be reviewed by NIFA to determine any impact to the original scoring for the LIHTC Application.

Any change from the commitments with the respect to the development in the LIHTC Application requires NIFA's prior written approval and payment of the fee described in Appendix A (e.g., request for changes to commitments made in the LIHTC Application). Such non-refundable fee must be submitted to NIFA at the time of request for consideration of an LIHTC Application or documentation change.

6.3 ADDITIONAL TAX CREDIT REQUEST

NIFA will review and consider requests for additional LIHTC and/or AHTC. A non-refundable fee (see Appendix A) must be submitted to NIFA at the time of request for consideration along with the applicable documentation to demonstrate the need for the additional LIHTC and/or AHTC. Amounts reserved for LIHTC and AHTC may be adjusted by the Executive Director in an amount not to exceed: (i) a 10% increase or (ii) a 10% decrease, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews. See Appendix D for more information.

6.4 OWNER MEMBER CHANGES/TRANSFER/ASSUMPTION

NIFA reserves, commits and allocates LIHTC and AHTC to partnerships, corporations, limited liability companies and individuals. Conditional Reservations and commitments of LIHTC and AHTC are non-transferable, and **any change in the partners/members of the development owner requires NIFA's prior written approval and payment of the fee described in Appendix A** (e.g., addition of a third-party or removal of an individual/entity listed as part of the ownership entity of the development in the LIHTC Application).

Any transfer, sale or other disposal by the owner of a development requires the prior written consent of NIFA (pursuant to the terms of the LURA) and payment of the fee described in Appendix A. NOTE: Upon any such transfer, sale or other disposal of the development, any existing right of the owner to request, in accordance with Section 42(h)(6) of the Code, that NIFA assist in procuring a qualified contract for the acquisition of the development, shall terminate with respect to the development as of the date of such transfer, sale of disposition of the development. Such termination of the right to proceed through the qualified contract process shall be binding on all subsequent owners of a transferred development.

7. CRANE PROGRAM APPLICATION PROCESS

CRANE Application: NIFA will accept CRANE Applications on an ongoing basis throughout the year. For a development to be eligible for review, a complete CRANE or LIHTC Application and all required supporting information must be submitted to NIFA via the online funding application system. Submissions for a reservation of LIHTC for developments that do not include a fully completed LIHTC Application, with correctly attached Exhibits and specified Application Fee, will not be reviewed by NIFA. The CRANE and LIHTC Applications are available on NIFA's website.

NIFA expects to review applications for the CRANE Program on a monthly basis (See CRANE Application).

The focus and primary purpose of CRANE Program is to target specific long-term, interrelated and coordinated job creation/enhancement, economic growth, and joint housing and community development strategies. For both 2022 and 2023 NIFA will set-aside up to 33% (**approximately $1.6 million**) of Nebraska's annual 9% LIHTC authority to be allocated pursuant to the CRANE Program (set-aside can be increased as set forth in Section 9(d)). The CRANE Program is a strategic alliance among NIFA and other collaborating resource providers. To participate in the CRANE Program, for-profit or non-profit entities ("Eligible Applicant") must join together with cities, communities and neighborhoods and collectively demonstrate that through a public process they have assessed the needs of their particular community with respect to economic development, community resource and housing development, and have proposed specific solutions to address those needs (the "Plan"). Proposals submitted under the CRANE Program must demonstrate how current and potential employers and institutions (schools, hospitals, municipal service providers) located in the community will be involved in any proposed solutions. Such proposals shall also demonstrate the development of businesses and creation of jobs and the impact on the development of affordable housing in the area. NIFA will work with other collaborating resource providers to coordinate the various resources available for a community requesting funds for a development pursuant to the CRANE Program and identify those proposals which best demonstrate the need for LIHTC and AHTC to address the needs identified by a community.

Communities/developers interested in applying for LIHTC and AHTC through the CRANE Program must meet with NIFA staff prior to the submission of a CRANE Application. Eligible Applicants may apply for LIHTC and AHTC through the CRANE Program for developments that provide substantial benefit (as determined in NIFA's sole discretion) in one or more of the following areas:

- Housing provided to one or more of the following populations: serious/chronic mental illness, physical or developmental disabilities, substance abuse issues, or homelessness. At least 30% of the units must serve one or more of these populations; or
- Native American Housing (housing that is developed on an Indian Reservation or on tribal land, either held in trust or fee simple, or housing developed and operated by an Indian Tribe that is recognized by Nebraska or the federal government); or
- Adaptive Reuse of a non-residential building to create affordable housing; or
- Housing developments in response to settlement agreements or consent decrees relating to housing deficiencies, housing discrimination or other housing issues i.e. Choice Neighborhood program; or
- Housing developments, located or to be located, in a county that has never had an occupied LIHTC development; or
- Reentry Housing targeting individuals released from a correctional institution.
- Housing developments, located or to be located, in a community that at any time during the prior three (3) years has been designated as a natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster.

The CRANE Program will utilize a three-tier process. Potential CRANE Program eligible applicants must submit an email to NIFA with a brief description of the development that includes how the development is CRANE eligible. Upon review by NIFA, potential CRANE Program Eligible Applicants will be invited to submit a CRANE Application and all required supporting information via the online funding application system, along with a nonrefundable CRANE Application Fee (see Appendix A) which must be received in NIFA's office at the time the CRANE Application is submitted to NIFA. NIFA will notify the applicant if they are CRANE eligible and if the CRANE Application has satisfied all the requirements under the CRANE Program, at which time the eligible applicant must submit a completed LIHTC Application via the online funding application system and the LIHTC and AHTC Application fee must be received in NIFA's office on or prior to the time periods specified by NIFA. CRANE Applications and documentation received by NIFA will be reviewed the month following receipt. NIFA will develop a timeline to assign categorization status in which to meet the requirements under the CRANE Program. CRANE Applications will be categorized as follows:

Category 4:	Conceptual
Category 3:	Feasible
Category 2:	In formation
Category 1:	Ready, in all aspects, to proceed

Developments in the CRANE Program that do not submit the online LIHTC Application, with applicable exhibits by the specified deadline, will not be reviewed or scored by NIFA. Upon satisfaction of the requirements under the LIHTC Application and the CRANE Program, NIFA will, if LIHTC/AHTC are available, issue a Conditional Reservation of 9% LIHTC/AHTC for the development.

8. CRANE PROGRAM REVIEW AND ALLOCATION PROCESS.

NIFA will use the following process in the allocation of 9% LIHTC and AHTC under CRANE Program:

8.1 CRANE APPLICATION PHASE.

To be considered under the CRANE Program, the CRANE Application must be completed, signed and submitted to NIFA via the online funding application along with the application fee (see Appendix A).

8.2 CRANE PROGRAM – REVIEW PROCESS.

With respect to a CRANE Program development receiving a CRANE designation, the developer/owner must provide to NIFA, development status reports, in a form and frequency as determined by NIFA, outlining the developer/owner's progress with respect to the development toward completion or satisfaction of all requirements necessary to receive a Conditional Reservation and/or Carryover Allocation of LIHTC. Information requested by NIFA will be development specific, and may include such items as zoning approvals, firm debt and/or equity financing commitments (conditioned only upon receipt of LIHTC/AHTC), construction progress reports, site control documentation and cost analysis updates. NIFA will review all CRANE Program status reports and determine, in its discretion, whether, with respect to a CRANE Program development, significant progress toward meeting the requirements to receive a Conditional Reservation of LIHTC/AHTC has been made by the developer/owner. If NIFA determines that significant progress has not been achieved in connection with the CRANE Program development, NIFA reserves the right to cancel or suspend the Conditional Reservation of LIHTC/AHTC. The LIHTC/AHTC reserved under the Conditional Reservation will be available to other applicants meeting the requirements under the CRANE Program.

8.3 LIHTC APPLICATIONS SUBMITTED BY CRANE PROGRAM APPLICANTS.

To be considered for a Conditional Reservation of LIHTC/AHTC under the CRANE Program, all documentation must be submitted through the online funding application. Only the information submitted for the current cycle will be reviewed regardless of any prior cycle's submittal of documentation. If information was submitted in the first cycle, information must be resubmitted in full for each subsequent cycle, until the applicant has received an award. The LIHTC/AHTC Application Fee (see Appendix A) must be submitted on or prior to the submittal of the online Application. NOTE: Applicants requesting LIHTC/AHTC for developments in the CRANE Program must commit to a minimum affordability period of 45 years (15-year compliance period and 30-year extended-use period).

8.4 EVALUATION OF LIHTC APPLICATIONS UNDER THE CRANE PROGRAM.

LIHTC Applications submitted under the CRANE Program that do not meet all Threshold Criteria will not be considered for an allocation of LIHTC and AHTC.

(a) Each application for the CRANE Program for a particular development will be evaluated based upon information submitted in the online CRANE Application and the online LIHTC Application for the applicable cycle in which it was submitted and such other information that NIFA may request or obtain in the evaluation process.

(b) NIFA will conduct an initial evaluation to determine the appropriate amount, if any, of LIHTC and AHTC to be reserved, using data provided by the eligible applicant and according to NIFA benchmarks and Section 42 of the Code.

9. <u>MAXIMUM ALLOCATION AND FEE LIMITS</u>

9.1 MAXIMUM ALLOCATION OF LIHTC.

(a) The maximum LIHTC allocation for any single development in the Application Rounds for Competitive LIHTC and in the CRANE Program set-aside will be no more than 20% of Nebraska's annual 9% LIHTC authority. No development may be divided into two or more developments to receive in excess of this limit of LIHTC in a particular year. Multiple applications in the same year determined to be a single development will be returned to the applicant and all fees forfeited.

(b) No one owner, developer, co-developer, sponsor, any member of the development team, or an affiliate thereof with an "identity-of-interest" (excluding property management control) will be eligible to receive, for a particular allocation year, more than a total of 20% of Nebraska's annual 9% LIHTC authority. (LIHTC received pursuant to the CRANE Program will be added to the total LIHTC amount when determining the ratio of LIHTC received under Nebraska's annual 9% LIHTC authority.) An exception to this limitation may be made to ensure maximum distribution and/or effective utilization of LIHTC as determined by NIFA's Executive Director.

(c) In accordance with Section 42 of the Code, each LIHTC Application will be evaluated by NIFA to determine the amount of 9% LIHTC to be allocated for a particular development. LIHTC allocations will be limited to the amount necessary to ensure the financial feasibility of the development based on the pro-forma information submitted by the developer and such other materials as requested and deemed necessary by NIFA.

(d) After completion of the Annual Cycle, any 9% LIHTC (in either the CRANE Program or the competitive process) that have not been reserved, may be transferred either to the competitive process or to the CRANE Program upon a recommendation of the Executive Director and approval of NIFA's Board of Directors.

(e) NIFA will reduce the 9% LIHTC/AHTC amount if any of the Efficient Cost Measures exceed one standard deviation above the mean as outlined in the LIHTC Application.

9.2 MAXIMUM FEE LIMITS

(a) For purposes of determining the amount, if any, of 9% LIHTC and AHTC to be reserved for a particular development, NIFA will limit the amount of developer/contractor overhead, profit and fees, general requirements, and consultant fees included in the eligible basis to an amount not to exceed 24% of the total eligible basis of the development.

Example: Total Eligible Basis
- (Builder/Contractor Overhead)
- (Builder/Contractor Profit)
- (General Requirements)
- (Developer Overhead)
- (Developer Fee)
- (Tax Credit Consultant Fee)
- (Real Estate Consultant Fee)

= Adjusted Eligible Basis

X 24%

= Maximum amount allowable for developer, contractor overhead & profit, general requirements & consultant fees includable in eligible basis for LIHTC and AHTC reservation purposes.

Applicants should be aware that NIFA may reduce the LIHTC and AHTC allocations to achieve the range of 24% limit for these fees.

(b) For purposes of determining the amount of LIHTC and AHTC allocable to a development, NIFA will limit the amount of architecture design/architect supervision/ engineering/survey fees to an amount not to exceed 7% of new and/or rehabilitation of hard construction costs (not to include contractor overhead/profit or general requirements).

(c) A developer fee is permitted in an amount related to the acquisition cost of an existing building that will also be rehabilitated. Such developer fee will be limited to 5% of the building acquisition costs excluding the cost of land and fees associated with the purchase or lease of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party.

10. MINIMUM SET-ASIDE ELECTIONS.

The Applicant must elect a minimum set-aside of income and rent levels from those listed below.

Any owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing development cannot be changed once made at the Final Application submittal dates as outlined in Section 4. If a development fails to meet the elected minimum set-aside at the end of a year, it is not a qualified low-income housing project for that year under Section 42(g)(1)(C) of the Code and this noncompliance will be reported to the IRS on IRS Form 8823. Note, the owner may be subject to the loss of 9% LIHTC and AHTC.

10.1 20-50 ELECTION.

At a minimum, twenty percent (20%) or more of the residential units in the development are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less of area median income ("AMI"); or

10.2 40-60 ELECTION.

At a minimum, forty percent (40%) or more of the residential units in the development are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMI; or

10.3 AVERAGE INCOME ELECTION.

At a minimum, forty percent (40%) or more of the residential units in the development serve households earning as much as eighty percent (80%) AMI, as long as the development's average income/rent limit is sixty percent (60%) or less of AMI.

NIFA is currently developing Average Income ("AI") compliance and monitoring policies and will require any development electing AI to comply with such policies. Please note that as of the date of this Allocation Plan, the IRS has not issued full and definitive guidance as to how it will administer or monitor developments making the AI election. Any owner of a development that considers such an election should do so in consultation with its counsel and/or tax advisors. NIFA is not espousing or recommending any specific approach to this matter.

(a) AI Affordability Requirements

AI is only permitted if all residential units in a development are designated as low-income. Developments selecting AI may not have any unrestricted or market-rate residential units. Manager units are not subject to this restriction and are permitted in AI developments.

Existing LIHTC developments are not eligible for the AI Election.

Income and rent levels are restricted to four (4) of the following AMI income brackets: 20% of AMI, 30% of AMI, 40% of AMI, 50% of AMI, 60% of AMI, 70% of AMI, and 80% of AMI.

(b) Multi-Building Election

If the proposed development contains more than one building, the owner must make the 8b election on Form 8609, indicating that the development will be treated as a multiple building development.

(c) Documentation Requirements

The market study submitted with the LIHTC Application must demonstrate sufficient market demand for each AMI income bracket proposed. Equity and debt commitment letters must affirmatively demonstrate that they are based upon an AI set-aside. NIFA reserves the right to require a legal opinion verifying the ability of a development to utilize AI in combination with any other subsidy.

(d) Design Requirements

Units of similar size and configuration must have substantially similar design and be reasonably distributed throughout the building(s) regardless of the assigned AMI income bracket restriction. Owners must disperse AMI income bracket levels across unit types in a manner that does not violate fair housing laws.

(e) Timing Requirements

Eligible applicants must select AI at the time of Final Application as indicated in Section 4. NIFA will not permit a change to AI after a development has received a Conditional Reservation of 2022 or 2023 LIHTC and AHTC.

11. LIHTC BASIS BOOST.

As authorized by the Housing and Economic Recovery Act of 2008 (H.R. 3221), NIFA may increase or "boost" the eligible basis of a particular development for purposes of the allocation of LIHTC by up to 30% ("Basis Boost") for designated buildings that are located outside of an established Qualified Census Tract (QCT) or Difficult Development Area (DDA). NIFA will review the financial feasibility of the development and the request for additional Basis Boost in accordance with this LIHTC Allocation Plan. Applicants may request the Basis Boost under the following guidelines if the Basis Boost is needed to make the development financially feasible:

a. Up to a 15% Basis Boost in connection with any development;

b. Up to a 20% Basis Boost in connection with developments located in non-metro areas (outside of an MSA) that have an average combined gross rent amount that would be affordable to households with an income of less than 45% of the county's Area Median Income (AMI);

c. Up to a 30% Basis Boost in connection with CRANE developments; or

d. Up to a 30% Basis Boost in connection with developments located in a census tract in which an active LIHTC (including 4% LIHTC) development is not located.

12. CONDITIONAL RESERVATION.

Applicants determined to receive a reservation of LIHTC and AHTC in a Competitive Round or in the CRANE Program will be notified in writing and will receive a Conditional Reservation of LIHTC and AHTC subject to the conditions set forth in the Conditional Reservation (and as applicable to CRANE Program, the availability of LIHTC and AHTC under the CRANE Program).

Within 90 days of notification of a Conditional Reservation, the applicant must submit to NIFA documentation of the following:

(a) Payment of Reservation Fee and any other fees (see Appendix A) due to NIFA (including fees due for all other developments sponsored by such applicant).

(b) Syndication commitment (signed by both parties) outlining LIHTC and AHTC equity contribution commitment and terms (i.e., percentage, proceeds to be received, etc.).

(c) A Phase I Environmental Site Assessment prepared by an unrelated third party professional. For developments for which rehabilitation will be performed, such report must include an assessment of the risks relating to environmental conditions including but not limited to lead based paint, asbestos and radon.

(d) Each development owner must agree to provide complete annual operating data and federal income tax returns to NIFA on a timely basis.

(e) Firm commitments for all sources of funding (including construction and permanent sources and subsidies, if applicable). HOME funds, CDBG-DR, National Housing Trust funds and USDA-RD commitments will be due at the time of the Carryover Allocation submission. Any development that has not secured all funding sources at the time of the Conditional Reservation deadline may be subject to revocation of the Conditional Reservation for LIHTC and AHTC.

(f) A Fair Housing Certification, Appendix B, signed by the development's architect evidencing that, when constructed in accordance with the plans and specifications, the development will be in compliance with the design and construction requirements set forth in the Fair Housing Act and Americans with Disabilities Act.

(g) Development status reports, in form and frequency as specified by NIFA, outlining the progress toward completion of the development or satisfaction of all requirements necessary to receive a Carryover Allocation Agreement or a final allocation of LIHTC and AHTC. The Quarterly Progress Report, Appendix C, shall be used to submit such reports to NIFA by the 5th day following the end of each calendar quarter. Information requested by NIFA may include such items as zoning approvals, construction progress reports, site control documentation and cost analysis updates. An owner/developer's first completed status report for the development must be submitted at the next quarterly due date following notification of Conditional Reservation.

(h) If the owner of the development intends to claim Federal or State Historic Rehabilitation Tax Credits, NIFA will require evidence from the State Historic Preservation Office (SHPO) of the United States Department of the Interior National Park Service Part I approval of the historic rehabilitation of the development, if not previously submitted with the LIHTC Application.

(i) Exhibit 111.

(j) Each development owner must certify that the development will be in compliance with the Violence Against Women's Act, to include ensuring prospective applicants and tenants are provided with the Notice of Occupancy Rights Under the Violence Against Women Act.

(k) Any other documentation required by NIFA.

NOTE: Failure to submit the above requirements, and/or other conditions imposed by NIFA, by the required deadline, will result in late fees and could result in the revocation of the development's Conditional Reservation of LIHTC and AHTC. Extensions may be requested as set forth in Section 6.1.

13. REVOCATION.

NIFA may revoke a Future Binding Commitment, Conditional Reservation, Firm Commitment or LIHTC and AHTC allocation made to a developer/owner for any development. Revocation may occur at NIFA's sole discretion due to actions taken by the development's owner without NIFA's prior written approval, from the time of a Future Binding Commitment, Conditional Reservation, or Firm Commitment is issued and up to the placed in service date of the development, for any of the following reasons:

(a) Site change;

(b) Change in ownership—a change in the parties involved in the ownership entity (e.g., addition of a third party or removal of an individual/entity listed as part of the development ownership submitted in the LIHTC Application);

(c) Change in unit design, square footage, unit mix, number of units, number of residential buildings, etc.;

(d) Instances of curable non-compliance issues beyond the specified cure period on an applicant's existing LIHTC developments in any state; or

(e) Change in rents to be charged to tenants; or

(f) Applicant fails to promptly notify NIFA of any material adverse changes from the original LIHTC Application.

14. MODIFICATION OR REVOCATION OF LIHTC AND AHTC ALLOCATION.

NIFA may modify or revoke a LIHTC and AHTC reservation or allocation to the developer/owner of the development for any of the following reasons:

(a) Information submitted to NIFA is determined to be false or fraudulent;

(b) Failure to meet conditions set forth in the Conditional Reservation;

(c) Material changes occur in the actual costs and/or square footage of the development without the prior written approval of NIFA;

(d) Owner receives additional subsidies or financing for the development other than those disclosed in the LIHTC Application without the prior written approval of NIFA;

(e) Subsequent regulations are issued by Department of the Treasury or the IRS pertaining to Section 42 of the Code;

(f) Applicant fails to promptly notify NIFA of any material or adverse changes from the original LIHTC Application; or

(g) Applicant fails to meet the Carryover Agreement, 10% Test Certification or Placed in Service deadlines.

15. CARRYOVER ALLOCATION AND 10% TEST.

Section 42 of the Code provides that NIFA may issue a carryover allocation (the "Carryover Allocation") to certain qualified developments for which a 9% LIHTC Conditional Reservation has been granted and which will not be placed in service by December 31, 2022 for 2022 Conditional Reservations or December 31, 2023 for 2023 Conditional Reservations. To be eligible for a Carryover Allocation, costs in an amount equal to 10% or more of the expected basis in the development must be incurred within one year from the date of the Carryover Allocation.

NIFA requires the submission of the Carryover Allocation and 10% Test by the deadlines set forth in the Carryover Allocation Procedures Manual.

All developers/owners of developments with respect to which a Conditional Reservation has been received must submit the Carryover Allocation Documentation to NIFA by no later than November 1, 2022 for 2022 Conditional Reservations and November 1, 2023 for 2023 Conditional Reservations. The 10% Test certification must be submitted to NIFA by no later than June 30, 2023 for a 2022 Conditional Reservations and June 28, 2024 for 2023 Conditional Reservations. If the Carryover Allocation Documentation and 10% Test certification are not submitted to NIFA by the specified deadlines, a 1% late fee, as outlined in Appendix A, will be assessed to the development owner. A Carryover Allocation Agreement will not be issued for a development prior to payment of all fees due and payable to NIFA.

NOTE: Failure to submit the Carryover Allocation Documentation and 10% Test certification by the required deadlines may result in the revocation of the

Conditional Reservation. Extensions may be requested as set forth in Section 6.1.

16. FINAL LIHTC AND AHTC ALLOCATION / COST CERTIFICATION.

No LIHTC and AHTC allocation will be made until the development has been placed in service and the developer/owner has submitted to NIFA the Final Cost Certification Documentation, as set forth in the Cost Certification Procedures Manual. Final LIHTC and AHTC allocations may be requested as soon as an eligible building has been placed in service. NIFA requires the submission of the Final Cost Certification Documentation by the deadlines set forth in the Final Cost Certification Procedures Manual. The LIHTC and AHTC amount allocated for a development will be based on NIFA's final determination of the qualified basis for the building(s) or development and a review of the development's costs.

NOTE: Failure to submit the Final Cost Certification Documentation by the required deadlines as set forth in the Final Cost Certification Procedures Manual will result in late fees and could result in the revocation of the LIHTC and AHTC allocation. Extensions may be requested as set forth in Section 6.1.

17. LIHTC AND AHTC GUIDELINES.

Following are general guidelines of the LIHTC and AHTC Program and other set-asides. These guidelines are not conclusive and should not be relied upon as tax advice. NIFA suggests that, prior to completing the LIHTC Application and/or CRANE Application, you consult with an independent, third-party certified public accountant or attorney for a complete interpretation of Section 42 and other related tax laws in the Code. NIFA's review of documents submitted in connection with a LIHTC Application or CRANE Application is solely for its own purposes. NIFA makes no representations to the development's Owner or anyone else as to:

(a) compliance with the Code, Treasury Regulations or any other laws or regulations governing LIHTC and AHTC; or

(b) the financial feasibility or viability of any development.

No member, officer, agent or employee of NIFA will be personally liable concerning any matters arising out of, or in relation to, the allocation of LIHTC and AHTC. LIHTC and AHTC will be awarded based on federal and state tax law and Nebraska's QAP. NIFA reserves, commits and allocates LIHTC and AHTC to partnerships, corporations, limited liability companies. LIHTC and AHTC commitments, reservations and allocations are not transferable, and any change in development ownership requires NIFA's prior written approval. NIFA verifies development ownership through organizational documents, closing documents, warranty deeds and title reports.

NIFA reserves the right to not allocate LIHTC and AHTC for any development, regardless of ranking/scoring, if NIFA determines in its sole discretion that the development does not further the purpose and goals of the LIHTC and AHTC Program. For purposes of this determination, the information taken into account may include, but is not limited to, the applicant/sponsor's experience and performance and the applicant/sponsor's prior participation in the NIFA program and other states' LIHTC and AHTC programs. The prior performance considered may include, but is not limited to, progress achieved with previous Conditional Reservations, Carryover Allocations, Cost Certifications, development compliance and payment of fees due to NIFA.

NIFA reserves the right to not allocate LIHTC and AHTC for any development, regardless of ranking/scoring, if NIFA determines in its sole discretion that a disproportionate number of LIHTC developments have been developed in a particular census tract within the past three-year period. NIFA may decide to allocate LIHTC and AHTC to a development in another county to best serve the citizens of Nebraska. This right will be exercised only in limited circumstances, such as when LIHTC developments in a particular census tract have a vacancy rate of 7% or more, or if, when taking into account current LIHTC Applications and existing LIHTC developments and others previously approved and funded (but not yet constructed or occupied), LIHTC developments would create a disproportional number of low-income housing units in that particular area.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or pleaded guilty (including a plea of no contest) to a crime of dishonesty, moral turpitude, fraud, bribery, payments of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible to apply for LIHTC and AHTC. Applicants who have been barred from any other NIFA program, other state LIHTC programs or any federal programs are also ineligible to apply for LIHTC and AHTC. Applicants having an identity of interest with any barred entity may also not be eligible to apply for LIHTC and AHTC at the sole discretion of NIFA. Furthermore, NIFA reserves the right to amend or modify any of the program instructions or procedures contained within the QAP and LIHTC Application and may exercise such right at any time and without liability to any applicant or other party for their expenses incurred in the preparation of a LIHTC Application or otherwise.

17.1 Public Information

Copies of Applications submitted pursuant to the Qualified Allocation Plan (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for Applications at www.nifa.org.

By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to such publication of its Application and related information.

18. COMPLIANCE MONITORING.

During the Affordability Period as set forth in the LURA, NIFA, as part of this 2022/2023 Housing Credit Allocation Plan, has adopted compliance monitoring procedures to: (i) monitor developments for noncompliance and (ii) notify the IRS of any noncompliance during the 15-year Compliance Period of which NIFA becomes aware of in accordance with Section 42(m) of the Code, Treasury Regulation §1.42-5 and any other applicable regulations. All development owners must enter into a LURA with NIFA, binding all parties to comply with Section 42 of the Code, Treasury Regulation §1.42-5 and any other applicable regulations, such as the Violence Against Women Act of 2013. Pursuant to the LURA, development owners (or the management agents thereof) are required to attend, on an annual basis, a compliance seminar sponsored by NIFA. In addition, development owners with items of noncompliance that have not been corrected in a timely fashion in NIFA's sole discretion, may be ineligible to receive future allocations of LIHTC.

The following procedures outline NIFA's plans for compliance monitoring by development owners. Such procedures, together with the covenants and representations contained in the LURA (the LURA constitutes a part of the 2022/2023 QAP) shall constitute the procedures for compliance monitoring by NIFA. (Capitalized terms used below and not otherwise defined shall have the meanings as set forth in the LURA). Additional guidance can be found in the NIFA Compliance Manual located at www.nifa.org.

18.1 TENANT INCOME CERTIFICATIONS.

Development owners shall maintain a file for each Qualified Tenant residing in the development (which shall be updated during each year of unit occupancy by the development owner). Each tenant file shall contain a copy of the rent record and a copy of such tenant's executed Application and Tenant Income Certification (the form of which is published on NIFA's website at www.nifa.org or otherwise available from NIFA) as well as supporting documentation, which is subject to independent investigation and verification by NIFA. Each tenant file shall be submitted to NIFA as set forth below or in such other form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Department of the Treasury or the IRS.

18.2 TENANT RECERTIFICATIONS FOR AVERAGE INCOME (AI) DEVELOPMENTS.

Developments (100% low income developments) that select AI are neither required nor prohibited from completing annual tenant income recertifications. If the owner of a development chooses to perform annual tenant income recertifications, household rents may be adjusted (in accordance with lease terms) provided the development still has an AI equal to or less than the percentage represented in the LURA.

18.3 ANNUAL OWNER CERTIFICATIONS.

Development owners are required to immediately notify NIFA if, at any time, the residential units in a development are not occupied or available for occupancy as provided above. Development owners shall prepare and submit, under penalty of perjury, to NIFA, no later than January 31st of each year following the first year in which the minimum set-aside is required to be met, the Owner's Certificate of Continuing Program Compliance (a form of which resides on NIFA's website at www.nifa.org) and submission of Certification Portal (CP) data collected by the development owner.

18.4 RECORD KEEPING AND RETENTION.

Development owners are required to collect and retain records for each qualified low income building in the development for at least six years after the due date (with extensions) for filing the federal income tax return for such year. Notwithstanding the above, records for the first year of the Credit Period must be retained for at least six years beyond the due date (with extensions) for the filing of the federal income tax return for the last year of the 15-year Compliance Period of the building. Such records shall include for each year during the 15-year Compliance Period the following information pertaining to each building in the development:

(a) The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

(b) The percentage of residential rental units in the building that are Qualified Units;

(c) The rent charged on each residential rental unit in the building, including any utility allowances;

(d) The number of occupants in each Qualified Unit and any changes in the number of occupants in each Qualified Unit;

(e) The Qualified Unit vacancies in the building and information that indicates when, and to whom, the next available units were rented;

(f) The annual income certification of each Qualified Tenant per Qualified Unit;

(g) Documentation to support each Qualified Tenant's annual income certification (for example, a copy of the Qualified Tenant's federal income tax return, Forms W-2 or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Tenant income is to be calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8"), and not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section 8, this documentation requirement is satisfied if the public housing authority provides a statement to the development owner declaring that the tenant's income does not exceed the applicable income limit under Section 42(g) of the Code;

(h) The Eligible Basis and the Qualified Basis of the building at the end of the first year of the Credit Period; and

(i) The character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the development).

18.5 REVIEW PROCESS.

For each year of the Affordability Period, NIFA will perform a compliance review on the development. Certifications and other information submitted to NIFA (as described above) shall be reviewed for compliance with the requirements of Section 42 of the Code.

18.6 ON-SITE INSPECTION AND TENANT FILE REVIEW.

The LURA provides that NIFA, or its designated agent, shall have the right to perform on-site inspections of each building in the development, inspect each Qualified Unit and review the tenant file for each Qualified Unit.

NIFA, or its designated agent, will conduct an on-site inspection of each building in the development and inspect the number of the Qualified Units and review the tenant files for such Qualified Units as required by Section 42 of the Code. On-site inspections and tenant file reviews shall be conducted by the end of the second calendar year following the year in which the last building in the development was placed in service. Thereafter, NIFA, or its designated agent, will conduct on-site inspections of all buildings in the development and review the tenant files at least once every three years. NIFA shall notify each development owner in advance of any such on-site inspection and review. NIFA shall randomly select which Qualified Units and tenant records will be inspected and reviewed.

Any duly authorized representative of NIFA, the Department of the Treasury or the IRS may inspect the books and records of the development pertaining to the incomes of the Qualified Tenants residing in the development.

In conjunction with each on-site inspection, development owners must provide to NIFA, or its designated agent, any local health, safety or building code violation reports or notices received on the development. Based on the on-site inspection and NIFA's receipt and review of any local health, safety or building code violation reports or notices provided by the owner, NIFA shall determine whether each building in the development and its Qualified Units are suitable for occupancy.

18.7 NOTIFICATION TO OWNER.

In the event NIFA discovers a noncompliance issue with any of the provisions of the LURA or Section 42 of the Code, NIFA will immediately notify the development owner in writing. The development owner shall have 60 days from the issuance of such notice (the "Correction Period") to correct the noncompliance.

Noncompliance includes, but is not limited to, the following: (a) NIFA's failure to receive tenant income certifications, supporting documentation and rent records, (b) noncompliance with any provision of Section 42 of the Code and/or (c) any change in the applicable fraction or eligible basis of the development which would result in a decrease in the Qualified Basis of the development. NIFA shall be authorized and entitled, pursuant to the provisions of the LURA, to perform all acts necessary to comply with the monitoring and notification responsibilities set forth in Section 42(m)(i)(B)(iii) of the Code and any Treasury Regulations promulgated thereunder or other interpretations thereof by the IRS or the courts.

18.8 NOTICE TO INTERNAL REVENUE SERVICE AND NEBRASKA DEPARTMENT OF REVENUE.

Within 45 days after the expiration of the Correction Period, NIFA shall file with the IRS, a copy of Form 8823, setting forth the nature of the noncompliance and whether or not such noncompliance has been corrected. A copy of such Form 8823 shall also be filed with the Nebraska Department of

Revenue in connection with the AHTCs allocated to an owner of a development. By submission of an application for LIHTC, the owner shall be deemed to have agreed to such filing by NIFA with the Nebraska Department of Revenue.

18.9 LIABILITY AND DISCLOSURE OF INFORMATION.

Compliance with the requirements of Section 42 of the Code is the sole responsibility of the development owner. NIFA's obligations to monitor for compliance with the requirements of Section 42 of the Code does not, and will not, make NIFA liable for a development owner's noncompliance.

All LIHTC Applications, materials, exhibits and correspondence submitted to NIFA are the property of NIFA. An agreement may be made between NIFA and any other appropriate federal or state regulatory agency to exchange such information.

19. NIFA CONTACT INFORMATION.

Correspondence and inquiries should be directed to:

Nebraska Investment Finance Authority (NIFA)
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Attention:	LIHTC Program
Telephone:	(402) 434-3900
	(800) 204-NIFA
Website:	www.NIFA.org

Appendix A - Fee Schedule

As stated in Section 2 – LIHTC and AHTC Fee Schedule, NIFA shall collect the fees described below for the LIHTC Program. All fees are nonrefundable. An LIHTC/CRANE Application will not be accepted unless the application fee accompanies the LIHTC/CRANE Application. **NIFA reserves the right to revise the fee schedule with a 30-day notice. Note: Any revision will be pursuant to a 30-day notice posted on the NIFA website.**

Fee Type	Timeline	Description
Application Fees*		
Threshold Competitive	Due at submittal of Threshold Application	$250
LIHTC Full	Due at submittal of Full Application	The greater of 1% of the annual LIHTC requested or $500
AHTC Full	Due at submittal of Full Application	$500
CRANE	Due at submittal of CRANE Application	$500; additionally the LIHTC and AHTC Full Application Fees will be due upon invitation to submit a full application
Conditional Reservation		
	Due with submittal of the conditional reservation items - Section 12	The greater of 2% of the annual LIHTC amount or $500
Cost Certification		
LIHTC	Due within 90 days of PIS	2% of the annual amount of LIHTC allocated to the development- See Cost Certification Procedures Manual
AHTC	Due within 90 days of PIS	$500
Other Fees		
Application/Documentation Change Fee	Due upon submittal of request	$100 an hour after the first hour of review, plus attorney fees
Additional Tax Credit Request Fee	Due upon submittal of request	$2,000
Extension Fee	Paid concurrently with the extension request	$500
Late Fees		
Conditional Reservation	Assessed at 5:01pm on due date - Section 12	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period
Carryover Allocation	Assessed at 5:01pm on due date - Section 15	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period
10% Test	Assessed at 5:01pm on due date - Section 15	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period
Cost Certification	Assessed at 5:01pm on due date - Section 16	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period

Fee Type	Timeline	Description
Annual Compliance Fees		
LIHTC	Annually on January 31st or Upfront	Annual - 2% of annual LIHTC allocated or minimum of $500 each year of the 15-year Compliance Period Upfront - 1.80% of the annual LIHTC allocated multiplied by the 15 years with a minimum fee of $9,000 (Must be elected and paid by Cost Certification submittal) **Example: Annual LIHTC Amount X 1.8% X 15 years= Upfront fee for first 15 years**
AHTC	Annually on January 31st or Upfront	$250 each year for 6-year credit period (Can be paid up front without a discount)
Average Income	Cost Certification Submission	.5% of the annual LIHTC allocated for each year during the 15-year compliance period **Example: Annual LIHTC Amount X .005 X 15 years= AI Election Fee**
Extended Use Period	After Compliance Period	The LIHTC Annual Fee will be payable in the amount as set forth in the Post Year-15 Monitoring Procedures
Other Fees		
Late Payment Penalty	Accounts more than 30 days delinquent	5% of the Annual Fee; any fees not collected will be turned over to legal counsel for collection
Transfer/Assumption Fee	Due upon submittal of request	$1,500 plus attorney fees
Qualified Contract	Due upon submittal of Qualified Contract	$5,000

APPENDIX B – FAIR HOUSING ACT ACCESSIBILITY CERTIFICATION

FAIR HOUSING ACT ACCESSIBILITY CERTIFICATION

The following is a certification regarding design and construction requirements of the Fair Housing Act (the "Act"). This certification represents many, but not all, of the requirements to the Act. This certification is not intended to be exhaustive; rather, it is a helpful guide in determining if the major requirements of the Act have been met in designing and constructing the development. **If a box below is not checked due to the applicability of an exception to the Act, the architect MUST include an explanation of the exception, including a citation to the relevant section of the Act.**

GENERAL REQUIREMENTS

☐ Development has buildings containing 4 or more units and was designed and constructed for first occupancy on or after March 13, 1991.

☐ If it is an elevator building, all units are "covered units."

☐ All units in buildings with elevators have features required by the Act.

☐ If it is a nonelevator building, all ground floor- units are "covered units."

☐ All ground floor- units in buildings without elevators have features required by the Act.

NOTE: There is a narrow exception which provides that a non-elevator building in a development need not meet all of the Act's requirements if it is impractical to have an accessible entrance to the non-elevator building because of hilly terrain or other unusual characteristics of the site.

ACCESSIBLE BUILDING ENTRANCE ON AN ACCESSIBLE ROUTE

☐ The accessible route is a continuous, unobstructed path (no stairs) through the development that connects all buildings containing covered units and all other amenities.

☐ The accessible route also connects to parking lots, public streets, public sidewalks and public transportation stops.

☐ All slopes are no steeper than 8.33%.

☐ All slopes between 5% and 8.33% have handrails.

☐ Covered units have at least one entrance on an accessible route.

☐ There are sufficient curb cuts for a person using a wheelchair to reach every building in the development.

COMMON AND PUBLIC USE AREAS

☐ At least two percent of all parking spaces are designated as handicapped parking.

☐ At least one parking space at each common and public use amenity is designated as handicapped parking.

☐ All handicapped parking spaces are properly marked.

☐ All handicapped parking spaces are at least 96" wide with a 60" wide access aisle which can be shared between two spaces.

☐ The accessible aisle connects to a curb ramp and the accessible route.

☐ The rental or sales office is readily accessible and usable by persons with disabilities.

☐ All mailboxes, swimming pools, tennis courts, clubhouses, rest rooms, showers, laundry facilities, trash facilities, drinking fountains, public telephones and other common and public use amenities offered by the development are readily accessible and usable by persons with disabilities.

USABLE DOORS

☐ All doors into and through covered units and common use facilities provide a clear opening of at least 32" nominal width.

☐ All doors leading into common use facilities have lever door handles that do not require grasping and twisting.

☐ Thresholds at doors to common use facilities are no greater than 1/2".

☐ All primary entrance doors to covered units have lever door handles that do not require grasping and twisting.

☐ Thresholds at primary entrance doors to covered units are no greater than 3/4" and beveled.

ACCESSIBLE ROUTE INTO AND THROUGH THE COVERED UNIT

☐ All routes through the covered units are no less than 36" wide.

ACCESSIBLE ENVIRONMENTAL CONTROLS

☐ All light switches, electrical outlets, thermostats and other environmental controls must be no less than 15" and no greater than 48" from the floor.

REINFORCED BATHROOM WALLS FOR GRAB BARS

☐ Reinforcements are built into the bathroom walls surrounding toilets, showers and bathtubs for the later installation of grab bars.

USABLE KITCHENS AND BATHROOMS

☐ At least 30" x 48" of clear floor space at each kitchen fixture and appliance.

☐ At least 40" between opposing cabinets and appliances.

☐ At least a 60" diameter turning circle in U-shaped kitchens unless the cooktop or sink at end of U--shaped kitchen has removable cabinets beneath for knee space.

☐ In bathroom, at least 30" x 48" of clear floor space outside swing of bathroom door.

☐ Sufficient clear floor space in front of and around sink, toilet and bathtub for use by persons using wheelchairs.

Certification completed by the development architect:

Signature____

Printed Name____

Company Name____

Title____

Date____

APPENDIX C – LIHTC QUARTERLY PROGRESS REPORT

LIHTC Quarterly Progress Report

Date:

Quarter: Select One

Development Owner:

NIFA #:

Development Name:

City:

Total Number of Buildings in Development:

Number of Buildings Placed-In-Service:

Estimated Completion Date for Entire Development:

Progress Update (please provide a brief explanation of the development's progress)

Title:

Submitted by:

APPENDIX D – GUIDELINES FOR ADDITIONAL TAX CREDIT REQUEST

Requests for additional tax credits must be submitted by email to the LIHTC Allocation Manager and the LIHTC Assistant Allocation Manager. The corresponding fee must be paid in full prior to review of the request. The following guidelines and documentation should be considered and provided when requesting additional tax credits.

- Any increase is granted at the sole discretion of the Executive Director and is not guaranteed.
- The maximum allowed request is up to 10% in annual credits.
- The need must be due to circumstances beyond control of the applicant.
- NIFA will determine if the additional credit amount is required for financial feasibility and viability of the project.
- The request cannot exceed the per project or per developer annual credit limits.
- The request cannot result in a change to the application score that would result in the application not being recommended for a conditional reservation in the round the application was awarded.
- The developer fee shall not be higher than the original amount from the final application submittal.

Documentation

- A narrative explaining the reason for the need for additional credit and stating the Applicant's planned contribution towards filling the funding gap;
- Estimates or bids demonstrating the cost increases;
- A narrative of architectural plan review, changes proposed to the site or floor plans and changes considered and rejected, with rationale;
- A narrative of additional steps taken to decrease needed gap financing, including increases in syndicator pricing, deferral of developer fees, increase or change in permanent loans, or identification of additional resources;
- An updated Exhibit 111; and
- Any other documentation requested by NIFA.

NEBRASKA INVESTMENT FINANCE AUTHORITY

LOW-INCOME HOUSING TAX CREDITS

2022-2023 HOUSING CREDIT ALLOCATION PLAN FOR 4% LIHTC/AHTC

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

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1. INTRODUCTION.

NIFA's Mission: Growing Nebraska Communities through Affordable Housing and Agribusiness

NIFA's (10 year) Vision: ***NIFA is an indispensable partner for Nebraska citizens and communities in planning, creating and sustaining affordable housing, advancing agribusiness, and furthering a vibrant Nebraska.***

NIFA's Values: Collaboration, Commitment, Innovation, Integrity, Stewardship

The Nebraska Investment Finance Authority (NIFA or the "Authority") is charged with allocating tax credits for Low Income Housing in the state of Nebraska. The Board of the Authority has set forth policy, bolstered by the Mission, Vision and Values of the Authority, to guide creation of the Qualified Allocation Plan (QAP).

This QAP is intended to reflect policies that will further a vibrant Nebraska, using affordable housing as the lens of that vibrancy. Priorities embedded in this QAP include:

- Collaboration: Create collaborative, local partnerships that achieve local vision for strong neighborhoods and communities.
- Stewardship: Ensure a balanced approach between quality of unit construction and creation of much-needed units.
- Commitment: Provide access to opportunity for tenants, supporting quality of life and dignity.

- Innovation: Target special or underserved populations with programs and projects that overcome barriers to access and provide stable environments for progress.
- Integrity: Develop policies and procedures taking into account best practices and current data, implementing thoughtful, intentional, and open public processes.

These priorities are further reflected in the following strategic objectives.

Increasing opportunities for tenants & improving quality of life	Coordination with communities & local/regional partners	Targeting Special or Underserved Populations
Encouraging eventual tenant homeownership	Incentivizing communities to have a community or neighborhood redevelopment plan/comprehensive approach (such as Choice Neighborhoods program) for developments in Qualified Census Tracts	Incentivizing larger units for families
Encouraging development in areas of high opportunity	Encouraging development in communities with a housing loss as a result of a federally declared natural disaster	Encouraging developments in smaller, rural communities
Incentivizing mixed-income developments	Incentivizing communities to become Economic Development Certified Communities	A set-aside for CRANE to target specific populations and types of development
Incentivizing supportive services and amenities	Encouraging at least one supportive service to be provided by a local or regional service organization	Encouraging the use of project-based rental assistance that can also assist in the conversion of public housing units to Section 8 voucher units

NIFA LIHTC PROPOSED SCORING ORGANIZED BY POLICY OBJECTIVES - 2022/2023 QAP	
	Points
SUPPORTING COLLABORATION & LOCAL STRATEGIES	
Located in a Qualified Census Tract/Difficult Development Area	**3**
Preservation of Developments	**3**
Natural Disaster Designation	**3**
Developments located in DED Community/Entitlement Community/Leadership Community/CDBG Entitlement Community	**2**
Public Housing Authority (PHA) Agreement	**1**
Project-based Rental Assistance	**2**
Leverage and Collaboration	**4**
Total	**18**
INCENTIVIZE DEVELOPMENT ACROSS RURAL NEBRASKA	
Development of Housing in Greater Nebraska	**2**
Total	**2**
SUPPORTING POSITIVE FAMILY OUTCOMES/OPPORTUNITIES/QUALITY OF LIFE	
Amenities	**8**
Supportive Services	**4**
Eventual Tenant Homeownership	**2**
Metro Areas of High Opportunity	**4**
Development of Senior Housing	**2**
Development of Family Housing	**1**
Mixed Income Developments	**3**
Total	**24**
QUALITY CONSTRUCTION & STEWARDSHIP	
Developer/Owner Financial Support	**2**
Applicant/Owner Qualifications and Experience with Other State LIHTC Agencies	**1**
Management Qualifications and Experience with Other State LIHTC Agencies	**4**
Design Standards	**7**
Green Standards	**6**
Efficient Housing Production	**6**
Total	**26**
SERVING THE LOWEST INCOME HOUSEHOLDS FOR THE LONGEST PERIOD OF TIME (IRS Requirement)	
Compliance & Extended Use Period	**2**
Waiver of Qualified Contract	**3**
Right of First Refusal	**2**
Targeting Gross Rents to Lower Levels	**5**
Total	**12**

The 2022/2023 Housing Credit Allocation Plan ("4% LIHTC/AHTC Allocation Plan") for the federal 4% Low Income Housing Tax Credit ("LIHTC") and the Nebraska Affordable Housing Tax Credit ("AHTC"), described below, provides (i) in accordance with Section 146 of the Internal Revenue Code of 1986 ("the Code") for the allocation of federal private activity volume cap ("Private Activity Bond Cap") required for the issuance of bonds ("Bonds") for qualified residential rental projects ("developments") (pursuant to Section 142 of the Code) and (ii) as set forth in this 4% LIHTC/AHTC Allocation Plan, the allocation of federal 4% LIHTC and Nebraska AHTC. [NOTE: The allocation of the 9% federal low income housing tax credit is governed by a separate 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC adopted by NIFA.]

1.1 AVAILABLE PRIVATE ACTIVITY BOND CAP, 4% LIHTC AND AHTC.

An owner/developer desiring to request from NIFA an allocation of Private Activity Bond Cap for a development and the allocation of 4% LIHTC and AHTC must follow the process outlined and subject to the limitations set forth in this 4% LIHTC/AHTC Allocation Plan. NOTE: As set forth below, a limited amount of Private Activity Bond Cap will be made available in 2022 and 2023 for (i) the issuance of Bonds to finance developments for which the owner/developer requests an allocation of AHTC and (ii) the issuance of Bonds to finance developments for which allocations of AHTC are not avaialable.

<u>Allocations of Private Activity Bond Cap in 2022 and 2023</u>

- **Requests for Private Activity Bond Cap for Both 4% LIHTC and AHTC**

  For both 2022 and 2023, NIFA will make available up to approximately $35 million of Private Activity Bond Cap in accordance with the procedures further set forth in this 4% LIHTC/AHTC Allocation Plan pursuant to a competitive process in connection with requests for the allocation of 4% LIHTC and accompanying AHTC for developments as further set forth in this 4% LIHTC/AHTC Allocation Plan. A request for Private Activity Bond Cap for a development accessing both 4% LIHTC and AHTC shall not exceed $18 million per development.

- **Requests for Private Activity Bond Cap for 4% LIHTC Only**

  For both 2022 and 2023, NIFA will consider requests for Private Activity Bond Cap in accordance with the procedures further set forth in this 4% LIHTC/AHTC Allocation Plan for the allocation of 4% LIHTC only. Private Activity Bond Cap for Bonds to finance developments which will not request or receive an allocation of AHTC will be allocated, subject to availability of Private Activity Bond Cap, as announced by NIFA. The Private Activity Bond Cap limit per development (for which an allocation of AHTC is not requested) is $22 million for 2022 and shall thereafter be increased annually for inflation based upon the Consumer Price Index. Additionally, at the discretion of the Board of NIFA, the applicable limit may be increased on a per project basis for the 4% LIHTC/Bond Program.

1.2 DEVELOPMENT OF QUALIFIED ALLOCATION PLAN AND 4% LIHTC/AHTC ALLOCATION PLAN.

The 2022/2023 QAP (which includes this 4% LIHTC/AHTC Allocation Plan) was adopted by NIFA with public participation and comment pursuant to a public process established by NIFA and with the approval of the Governor of the State of Nebraska in accordance with Section 42 of the Code. This 4% LIHTC/AHTC Allocation Plan, pursuant to a public process as described below, is a part of the 2022/2023 QAP. The 2022/2023 QAP consists of the following:

a. this 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC
b. the 2022/2023 Housing Credit Allocation Plan for 4% LIHTC and AHTC
c. the 2022/2023 9% NIFA/DED Application
d. the 2022/2023 4%/Bond Pre-Application
e. the 2022/2023 4%/Bond Application
f. the 2022/2023 NIFA/DED Exhibit Examples
g. the 2022/2023 LIHTC Forms and Documents
h. the 2022/2023 CRANE Guidelines and Application
i. the 2022 Carryover Allocation Procedures Manual
j. the 2022 10% Test Certification
k. the 2022 Cost Certification Procedures Manual
l. the 2022/2023 Land Use Restriction Agreement (LURA)
m. the 2022/2023 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)
n. the 2023 Carryover Allocation Procedures Manual
o. the 2023 10% Test Certification
p. the 2023 Cost Certification Procedures Manual

A public hearing on the proposed 2022/2023 QAP was held in-person from Lincoln, Nebraska. All comments received by NIFA were taken into consideration in developing and drafting the 2022/2023 QAP, including the 4% LIHTC/AHTC Allocation Plan.

The 2022/2023 QAP, including this 4% LIHTC/AHTC Allocation Plan, was approved by the NIFA Board of Directors and forwarded to the Governor of the State of Nebraska for approval in accordance with the Section 42 of the Code. The 2022/2023 QAP is designed to provide for the selection of developments that address the most pressing housing needs of Nebraska, within the guidelines and requirements of Section 42 of the Code. NIFA, in its sole discretion, reserves the right to modify or waive any conditions, which are otherwise not mandated by the Code, contained in the 2022/2023 QAP. Modifications by NIFA may include, but are not limited to, changes which provide for better coordination with other state and federal programs and/or funding sources.

The QAP may be amended from time to time as new guidelines and regulations are issued under Section 42 of the Code or as NIFA deems necessary to meet the LIHTC and AHTC Program goals and objectives.

1.3 APPLICATION PROCESS.

Persons interested in applying for an allocation of Private Activity Bond Cap, together with 4% LIHTC and AHTC in connection with the financing of a development, shall submit the documents set forth below at the times specified in this 4% LIHTC/AHTC Allocation Plan. For a development to be eligible for review during an allocation cycle (“Allocation Cycle”), a complete 2022/2023 4%/Bond Pre-Application (the “Pre-Application”) and a complete 2022/2023 4%/Bond Application (the “4%/Bond Application”), together with all required supporting information must be submitted to NIFA via the online funding application system by the respective deadlines for that particular Allocation Cycle. Submissions for an allocation of Private Activity Bond Cap and 4% LIHTC/AHTC that do not include a fully completed Pre-Application and 4%/Bond Application, with correctly attached Exhibits and specified application fee, will not be reviewed or scored by NIFA. The Pre-Application and 4%/Bond Application are available on NIFA’s web site at www.NIFA.org.

Requests for Private Activity Bond Cap with 4% LIHTC and AHTC – Allocation Cycle*

4% LIHTC/Bond with AHTC Allocation Cycles**	**Application Deadlines (no later than 5:00 p.m. CST)**	**Conditional Allocation**	**Private Activity Bond Cap to be Reserved**
2022 AHTC Cycle Required Pre-Application and Optional Threshold Review	**February 18, 2022**		
2022 AHTC Cycle Final Full Application	**March 18, 2022**	**April 15, 2022 (tentative)**	**Up to Approximately $35 Million**
2023 AHTC Cycle Required Pre-Application and Optional Threshold Review	**December 2, 2022**		
2023 AHTC Cycle Final Full Application	**January 6, 2023**	**February 17, 2023 (tentative)**	**Up to Approximately $35 Million**
Additional Round*			

*NIFA reserves the right to hold additional Allocation Cycles or make changes to the above Allocation Cycles as it deems necessary to meet 2022/2023 LIHTC/AHTC Program goals and objectives.

** Approximate funds available through joint application process with Nebraska Department of Economic Development: CDBG-DR up to $26 million as outnlined in the CDBG-DR Action Plan.

Requests for Private Activity Bond Cap for 4% LIHTC Only – Allocation Cycles*

4% LIHTC/Bond Allocation Cycles**	**Application Deadlines (no later than 5:00 p.m. CST)**	**Conditional Allocation**	**Approximate Private Activity Bond Cap to be Available***
2022 Cycle 1 Required Pre-Application and Optional Threshold Review	**February 18, 2022**		
2022 Cycle 1 Final Full Application	**March 18, 2022**	**April 15, 2022 (tentative)**	**Up to Approximately $35 Million**
If there is remaining 2022 Volume Cap following 2022 Cycle 1, those applications not receiving a Conditional Allocation will be invited to resubmit a full application for review.			
Resubmission Cycle Final Full Application	**May 9, 2022 (If Volume Cap remains)**	**June 17, 2022 (tentative)**	**Remaining Volume Cap**
2023 Cycle 1 Required Pre-Application and Optional Threshold Review	**December 2, 2022**		
2023 Cycle 1 Final Full Application	**January 6, 2023**	**February 17, 2023 (tentative)**	**Up to Approximately $35 Million**

4% LIHTC/Bond Allocation Cycles**	Application Deadlines (no later than 5:00 p.m. CST)	Conditional Allocation	Approximate Private Activity Bond Cap to be Available*
2023 Cycle 2 Required Pre-Application and Optional Threshold Review	**March 17, 2023 (If Volume Cap remains)**		
2023 Cycle 2 Final Full Application	**April 26, 2023 (If Volume Cap remains)**	**June 16, 2023 (tentative)**	**Remaining Volume Cap**

*NIFA reserves the right to hold additional Allocation Cycles or make changes to the above Allocation Cycles as it deems necessary to meet 2022/2023 LIHTC/AHTC Program goals and objectives.

** Approximate funds available through joint application process with Nebraska Department of Economic Development: CDBG-DR up to $26 million as outnlined in the CDBG-DR Action Plan.

1.4 INELIGIBLE APPLICANTS.

Neither a Pre-Application nor a final LIHTC/AHTC Application will be reviewed, scored or considered by NIFA at any time if:

i. the developer general partner/managing member or any affiliate thereof is delinquent on LIHTC fees, AHTC fees or Tax-Exempt Bond fees due and payable in connection with any other LIHTC developments located in Nebraska; or

ii. the general partner/managing member or any affiliate thereof currently has or has had items of noncompliance or violations of a Land Use Restriction Agreement/Tax-Exempt Bond Regulatory Agreement that have not been corrected within the applicable correction period on any other LIHTC development located in Nebraska; or

iii. the developer, general partner/managing member or any affiliate thereof is delinquent on any documentation or payments that are due and payable to NIFA, including but not limited to the following:

(a) Conditional Reservation Documentation/42(m) Letter
(b) Carryover Documentation
(c) 10% Test Documentation
(d) Cost Certification Documentation
(e) Asset Management Documentation
(f) TCAP Loan Repayment Amounts
(g) Any other documentation requested by NIFA

2. BOND, 4% LIHTC AND AHTC FEE SCHEDULE.

NIFA reserves the right to revise the fee schedule from time to time. Note: Any revision will be pursuant to a 30-day notice posted on NIFA's website.

The Bond, 4% LIHTC and AHTC Fee Schedule located in Appendix A ("Appendix A") sets forth the various fees to be paid by the owner/developer of the development in connection with the allocation of Private Activity Bond Cap, 4% LIHTC to include the issuance of bonds (whether the bonds are issued by NIFA or another issuer) and AHTC.

The Fee Schedule contains all current fee and related due date information. Fees must be paid in full prior to NIFA's review of any documentation. If, for any reason, a development does not move forward, NIFA will retain all fees paid in conjunction with the development.

Fees outlined in Appendix A include:

Bond Fees	
Bond/4% LIHTC Pre-application Fee	*NIFA Issuance Bond Application Fee
Private Activity Bond Cap Application	Reservation Deposit
*Bond Issuance Fee	*Bond Annual Issuer Compliance
*Bond Loan Document/Regulatory Agreement/Assumption Transfer	*Bond Modification
*Bond Refunding	

* Applicable only if NIFA is the issuer of the Bonds.

Note: The development owner/developer is responsible for paying all costs related to the issuance of the Bonds.

4% LIHTC and AHTC Allocation Fees		
Threshold Review	LIHTC Full	AHTC Full
42(m) Letter	Cost Certification-LIHTC	Cost Certification-AHTC
Application/Document Change	Additional Tax Credit Request	Extension
Late		

4% LIHTC and AHTC Compliance Fees		
LIHTC	AHTC	Average Income
Extended Use Period	Late Payment Penalty	Transfer/Assumption
Qualified Contract		

2.1 PRIVATE ACTIVITY BOND CAP ALLOCATION FEE (VOLUME CAP) AND RESERVATION DEPOSIT.

Reservation Deposit: A reservation deposit is equal to the lesser of $10,000 or 1% of the amount of the Private Activity Bond Cap allocation requested (minimum Deposit of $1,000) is also due to NIFA at such time as NIFA has reviewed the LIHTC/AHTC Application and notified the owner/developer that the owner/developer may submit a request for an allocation Private Activity Bond Cap. In the event an allocation of Private Activity Bond Cap granted to the developer/owner by NIFA is not used prior to the expiration date of the Private Activity Bond Cap allocation (or the amount of such allocation used by the developer/owner is less than the amount of the allocation granted by NIFA), the Reservation Deposit (or if the allocation used is less than the allocation amount granted, a proportionate amount of the Reservation Deposit) will be forfeited by the developer/owner and retained by NIFA. **In any event, the Reservation Deposit is refundable only to the extent and in the proportion that the allocation of Private Activity Bond Cap is used prior to the expiration date of the allocation and upon receipt by NIFA from the developer/owner of the IRS Form 8038 as filed with the IRS.** (Unpaid expenses incurred by NIFA may be offset by NIFA against any refundable portion of the Reservation Deposit.)

2.2 LEGAL FEES.

Extraordinary legal fees incurred by NIFA in connection with the review of the Pre-Application, the LIHTC/AHTC Application, or the Private Activity Cap Application or any materials submitted in connection with an allocation of 4% LIHTC/AHTC/Private Activity Bond Cap, the allocation process (including, but not limited to the cost certification process) or ongoing compliance with respect to a development will be assessed and charged to the development owner, including but not limited to the following:

- Fees for research relating to irregular situations
- Ownership agreements
- Rental rate questions
- Unusual timing situations
- Specific technical questions related to Code Section 42

3. 4% LIHTC AND AHTC ALLOCATIONS, PRE-APPLICATION, LIHTC/AHTC APPLICATION AND PRIVATE ACTIVITY BOND CAP.

3.1 REVIEW OF PRE-APPLICATION AND SCORING OF LIHTC/AHTC APPLICATION.

PRE-APPLICATION:

Applicants who have submitted a Pre-Application by the required Allocation Cycle deadline should proceed to the completion of the final LIHTC/AHTC Application by the required Allocation Cycle deadline unless otherwise notified by NIFA.

OPTIONAL THRESHOLD REVIEW:

Threshold review is optional for any development. However, if an applicant decides to submit for the Optional Threshold Review, the Threshold Criteria in the

LIHTC/AHTC Application must be submitted with the Pre-Application, along with the fee outlined in Appendix A.

FINAL APPLICATION:

The following criteria will be reviewed for purposes of scoring each LIHTC/AHTC Application:

- Threshold Criteria
- Other Selection Criteria
- NIFA Scored Criteria

A minimum score of 30 is required in the Other Selection Criteria of the LIHTC/AHTC Application for Private Activity Bond Cap/4% LIHTC/AHTC.

NOTE: Pre-Applications and LIHTC/AHTC Applications will be scored SOLELY on information provided in the online Pre-Application and LIHTC/AHTC Application submitted for the applicable Allocation Cycle deadlines. Any Pre-Application or LIHTC/AHTC Application submitted for Threshold Review or Final Full Review (and for which an allocation is not awarded during an Allocation Cycle) must be resubmitted in full (whether or not changes have been made by the applicant subsequent to the prior review by NIFA) by the next Pre-Application and LIHTC/AHTC Application deadline in order to be considered for an allocation of Private Activity Bond Cap/4% LIHTC/AHTC. (Any documentation or information submitted for a previous Allocation Cycle will not be taken into consideration for the current deadline.)

3.2 PRE-APPLICATION and LIHTC/AHTC APPLICATION SUBMITTAL PROCESS.

To be considered for a reservation of Private Activity Bond Cap, 4% LIHTC and AHTC, all documentation must be submitted through the online funding application. Only the information submitted for the current Allocation Cycle will be reviewed regardless of any prior Allocation Cycle's submittal of documentation. If information was submitted for the first Allocation Cycle, information must be resubmitted in full for each subsequent Allocation Cycle, until the submissions results in an award. Application Fees must be received in NIFA's office on or prior to the deadline as set forth in Appendix A.

3.3 EVALUATION OF THE PRE-APPLICATION, OPTIONAL THRESHOLD CRITERIA AND FULL LIHTC APPLICATION.

(a) Each Pre-Application and subsequent full LIHTC/AHTC Application for 4% LIHTC, and, if applicable, AHTC for a particular development, will be evaluated based upon the information submitted in the respective online Pre-Application or LIHTC/AHTC Application for the applicable Allocation Cycle in which such application was submitted and such other information that NIFA may request or obtain in the evaluation process.

(b) Applicants submitting the Optional Threshold Review: NIFA will communicate with development owners that do not meet the Threshold Criteria to generally outline deficiencies in the threshold exhibits with respect to the Threshold Criteria.

(c) Developments will be ranked based upon the total number of points awarded in all criteria categories, with the exception of the following: 1). The Efficient Housing Production points will only be utilized in the event that multiple applications are received for development in a single county. In the event more than one application is received for development in a single county, those applications will be evaluated against each other in the Efficient Housing Production category, and 2). The Natural Disaster Designation points will not be applied. NIFA will not score or include in the efficiency calculations any Applications not meeting all Threshold Criteria.

(d) Applications that do not meet all Threshold Criteria will not be considered for an allocation of Private Activity Bond Cap, 4% LIHTC or AHTC.

(e) NIFA anticipates awarding Private Activity Bond Cap with 4% LIHTC and AHTC to approximately 1 to 3 applications, with no more than one application awarded in a single county.

(f) NIFA will conduct an initial evaluation to determine the appropriate amount, if any, of Private Activity Bond Cap, 4% LIHTC, and, if applicable, AHTC to be reserved, using data provided by the eligible applicant and according to NIFA benchmarks and Sections 142 and 42 of the Code.

NOTE: NIFA will only review materials submitted during the applicable Allocation Cycle in which it was submitted.

3.4 MAXIMUM ALLOCATION OF 4% LIHTC/AHTC.

(a) In accordance with Section 42 of the Code, each LIHTC/AHTC Application will be evaluated by NIFA to determine the amount of 4% LIHTC (and AHTC, if applicable) to be allocated for a particular development. LIHTC/AHTC allocations will be limited to the amount necessary to ensure the financial feasibility of the development based on the pro-forma information submitted by the developer/owner and such other materials as requested and deemed necessary by NIFA.

(b) For purposes of determining the amount, if any, of 4% LIHTC (and AHTC, if applicable) to be reserved for a particular development, NIFA will limit the amount of developer/contractor overhead, profit and fees, general requirements, and consultant fees included in the eligible basis to an amount not to exceed 24% of the total eligible basis of the development.

Example: Total Eligible Basis
- (Builder/Contractor Overhead)
- (Builder/Contractor Profit)
- (General Requirements)
- (Developer Overhead)
- (Developer Fee)
- (Tax Credit Consultant Fee)
- (Real Estate Consultant Fee)

= Adjusted Eligible Basis

X 24%

= Maximum amount allowable for developer, contractor overhead & profit, general requirements & consultant fees includable in eligible basis for LIHTC 42(m) Letter purposes

Applicants/owners/developers should be aware that NIFA may reduce the 4% LIHTC (and AHTC, if applicable) allocation to achieve the range of 24% limit for these fees.

(c) For purposes of determining the amount of 4% LIHTC (and AHTC, if applicable) allocable to a development, NIFA will limit the amount of architecture design/architect supervision/ engineering/survey fees to an amount not to exceed 7% of new and/or rehabilitation of hard construction costs (not to include contractor overhead/profit or general requirements).

3.5 DEVELOPER FEE/ACQUISITION OF EXISTING BUILDING.

A developer fee is permitted in an amount related to the acquisition cost of an existing building that will also be rehabilitated. Such developer fee will be limited to 5% of the building acquisition costs excluding the cost of land and fees associated with the purchase or lease of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party.

3.6 PRIVATE ACTIVITY BOND CAP APPLICATION.

To be considered for an allocation of Private Activity Bond Cap and 4% LIHTC (and AHTC, if applicable), an applicant/owner/developer must submit a complete Pre-Application and complete LIHTC/AHTC Application, together with all supporting information required by such applications which will be reviewed and scored in accordance with this 4% LIHTC/AHTC Allocation Plan. Developments for which Private Activity Bond Cap is requested for the issuance of tax-exempt Bonds must qualify for and use 4% LIHTC. Additionally, at least 50% of the aggregate basis of the development (including the land) must be financed with the proceeds of the tax-exempt Bonds. At the request of NIFA, an applicant/owner/developer shall complete the Private Activity Bond Cap Application.

Developments financed with tax-exempt Bonds pursuant to Section 142 of the Code and with respect to which Private Activity Bond Cap is allocated to the owner/developer of the development in accordance with Section 146 of the Code are eligible to receive 4% LIHTC based on the amount of the qualified basis of the development (as set forth in Section 42 of the Code). The AHTC will only be available to owners of developments to whom specific Private Activity Bond Cap is allocated in connection with AHTCs. 4% LIHTC do not count against, and are not required to be allocated from, Nebraska's 9% LIHTC ceiling.

3.7 NIFA AS ISSUER OF TAX-EXEMPT BONDS.

Applicants desiring that NIFA act as the issuer of the tax-exempt Bonds shall indicate such request on the Pre-Application (along with payment as set forth in Appedix A) by the appropriate dates set forth for each Allocation Cycle in order for the NIFA board to consider the adoption of a limited purpose intent resolution. A limited purpose intent resolution does not bind NIFA to ultimately issuing Bonds, but is a requirement prior to the consideration by the NIFA board of an allocation of Private

Activity Bond Cap and final Bond issuance approval. Additionally, the applicant must submit a completed LIHTC/AHTC Application by the appropriate dates set forth for each Allocation Cycle. A separate application for the Bond Cap allocation (NIFA's Unified Volume Cap Allocation Application) must then be submitted at the request of NIFA after a completed LIHTC/AHTC Application has been reviewed and accepted by NIFA with no deficiencies and selected for an allocation, along with the applicable Reservation Deposit and Bond Allocation Fee as set forth in Appendix A.

3.8 NON-NIFA ISSUER OF TAX-EXEMPT BONDS.

Once the Pre-Application has been submitted (in accordance with the deadlines for the applicable Allocation Cycle) and reviewed, the applicant may submit the completed LIHTC/AHTC Application (in accordance with the deadlines for the applicable Allocation Cycle). If NIFA is not the issuer of the Bonds, the applicant must submit a completed a LIHTC/AHTC Application and include a copy of the intent resolution adopted by the proposed issuer (e.g. governmental entity) of the Bonds. A separate application for Bond Cap allocation (NIFA's Unified Volume Cap Allocation Application) must then be submitted at the request of NIFA after a completed LIHTC/AHTC Application has been reviewed and accepted by NIFA with no deficiencies and selected for an allocation, along with the applicable Reservation Deposit and Bond Allocation Fee as set forth in Appendix A.

4. <u>LIHTC SECTION 42(m) LETTER.</u>

An applicant requesting to receive an allocation of 4% LIHTC and AHTC in a particular Allocation Cycle will be notified in writing of the allocation of 4% LIHTC and AHTC and will receive a Section 42(m) Letter of 4% LIHTC subject to the conditions set forth in the Conditional Reservation.

Within 90 days of notification of a Section 42(m) Letter, the applicant must submit to NIFA documentation of the following:

(a) Payment of Section 42(m) Letter Fee and any other fees due to NIFA as set forth in Appendix A (including fees due for all other developments sponsored by such applicant).

(b) Syndication commitment (signed by both parties) outlining 4% LIHTC and AHTC, if applicable, equity contribution commitment or terms (i.e., percentage, proceeds to be received, etc.).

(c) A Phase I Environmental Site Assessment prepared by an unrelated third party professional. For developments for which rehabilitation will be performed, such report must include an assessment of the risks relating to environmental conditions including but not limited to lead-based paint, asbestos and radon.

(d) Each development owner must agree to provide complete annual operating data and federal income tax returns to NIFA on a timely basis.

(e) Firm commitments for all sources of funding (including construction and permanent sources and subsidies, if applicable).

(f) A Fair Housing Certification in the form attached hereto as Appendix B signed by the development's architect evidencing that, when constructed in accordance with the plans and specifications, the development will be in compliance with the design and construction requirements set forth in the Fair Housing Act and Americans with Disabilities Act.

(g) Development status reports, in form and frequency as specified by NIFA, outlining the progress toward completion of the development. The Quarterly Progress Report attached hereto as Appendix C shall be used to submit such reports to NIFA by the 5th day following the end of each calendar quarter. Information requested by NIFA may include such items as zoning approvals, construction progress reports, site control documentation and cost analysis updates. The developments first completed status report must be submitted by the next quarterly due date following notification of Conditional Allocation.

(h) If the owner of the development intends to claim Federal or State Historic Rehabilitation Tax Credits, NIFA will require evidence from the State Historic Preservation Office (SHPO) the Historic Preservation Certification Application Part I approval of the historic rehabilitation of the development, if not previously submitted with the LIHTC/AHTC Application..

(i) Exhibit 111.

(j) Each development owner must certify that the development will be in compliance with the Violence Against Women's Act, to include ensuring prospective applicants and tenants are provided with the Notice of Occupancy Rights Under the Violence Against Women Act.

(k) Any other documentation required by NIFA.

(l) Election of Applicable Percentage.

(m) Designation of Placed-In Service Date as effective date of Gross Rent.

NOTE: Failure to submit the above requirements, and/or other conditions imposed by NIFA by the required deadline will result in late fees and could result in the revocation of the Section 42(m) Letter issued in connection with the 4% LIHTC for the development. Extensions may be requested as set forth in Section 5.1.

5. <u>EXTENSIONS AND DEVELOPMENT CHANGES</u>

5.1 4% LIHTC EXTENSION

A developer/owner may request an extension of any of the following deadlines: Section 42(m) Letter and Final Cost Certification; if

(a) an Extension Fee (see Appendix A) is received in NIFA's office on or before the applicable deadline; and

(b) in NIFA's sole discretion, the following conditions have been satisfied;

1. A written explanation of the conditions that exist which have caused the need for the extension, along with the proposed date that information will be submitted to NIFA to meet the extended deadline.
2. Based on the facts and circumstances, NIFA determines the request for an extension is reasonable.
3. The request for an extension is submitted to NIFA on or before the deadline for the original submittal.
4. The Extension Fee is paid concurrently with the extension request.

Extension Requested	Maximum # of days Allowed
42(m) Letter	60 days
Cost Certification	60 days

If NIFA has granted an extension prior to any deadline as outlined above, no late fees will be assessed, unless the agreed upon extension date is not met.

5.2 4% LIHTC DEVELOPMENT TRANSFER/ASSUMPTION.

NIFA reserves, commits and allocates 4% LIHTC/AHTC/Private Activity Bond Cap to partnerships, corporations, limited liability companies and individuals. Reservations and commitments of LIHTC/AHTC/Private Activity Bond Cap are non-transferable, and **any change in the partners/members of the development owner or sale of the development requires NIFA's prior written approval and payment of the fee described in Appendix A, and, if applicable, other provisions of the 4% LIHTC/AHTC Allocation Plan** (e.g., addition of a third party or removal of an individual/entity listed as part of the ownership entity of the development in the Pre-Application, the LIHTC/AHTC Application, or the Private Activity Cap Application).

5.3 4% LIHTC/AHTC APPLICATION OR DOCUMENTATION CHANGE.

Subsequent to a reservation of Private Activity Volume Cap, the developer/owner of the development may request to amend the terms, conditions or information included in the application or other documentation submitted in connection with the request for LIHTC and AHTC. Any such request will be reviewed by NIFA to determine any impact to the original scoring for the application.

Reservations and commitments of Private Activity Bond Cap, 4% LIHTC and AHTC are non-transferable. Any change from the commitments in the application requires NIFA's prior written approval and payment of the fee described in Appendix A (e.g., request for changes to commitments made in the Pre-Application, LIHTC/AHTC Application or the Private Activity Cap Application).5. LIHTC REVOCATION.

NIFA may revoke the Section 42(m) Letter providing for the 4% LIHTC allocation (and accompanying AHTC, if any) made to a developer/owner for any development. Revocation may occur at NIFA's sole discretion due to actions taken by the development's owner without NIFA's prior written approval, from the time the Section 42(m) Letter is issued and up to the placed-in-service date of the development, for any of the following reasons:

(a) Site change;

(b) Change in ownership—a change in the parties involved in the ownership entity (e.g., addition of a third party or removal of an individual/entity listed as part of the development ownership submitted in the LIHTC/AHTC Application);

(c) Change in unit design, square footage, unit mix, number of units, number of residential buildings, etc.;

(d) Instances of curable non-compliance issues beyond the specified cure period on an applicant's existing LIHTC developments in any state;

(e) Change in rents to be charged to tenants; or

(f) Applicant fails to promptly notify NIFA of any material adverse changes from the original LIHTC/AHTC Application.

6. MODIFICATION OR REVOCATION OF 4% LIHTC AND, IF APPLICABLE, AHTC ALLOCATIONS.

NIFA may modify or revoke a 4% LIHTC Section 42(m) Letter to the developer/owner of the development for any of the following reasons:

(a) Information submitted to NIFA is determined to be false or fraudulent;

(b) Failure to meet conditions set forth in the Section 42(m) Letter documentation;

(c) Material changes occur in the actual costs and/or square footage of the development without the prior written approval of NIFA;

(d) Owner receives additional subsidies or financing for the development other than those disclosed in the LIHTC/AHTC Application without the prior written approval of NIFA;

(e) Subsequent regulations are issued by Department of the Treasury or the IRS pertaining to Section 42 of the Code; or

(f) Applicant fails to promptly notify NIFA of any material or adverse changes from either the Pre-Application or the LIHTC/AHTC Application.

7. FINAL 4% LIHTC (AND, IF APPLICABLE, AHTC) ALLOCATION/COST CERTIFICATION.

No 4% LIHTC (and AHTC, if applicable) allocation will be made until the development has been placed-in-service and the developer/owner has submitted to NIFA the Final

Cost Certification Documentation, as set forth in the Cost Certification Procedures Manual. Final 4% LIHTC (and AHTC, if applicable) allocations may be requested as soon as an eligible building has been placed in service. NIFA requires the submission of the Final Cost Certification Documentation by the deadlines set forth in the Final Cost Certification Procedures Manual. The 4% LIHTC (and AHTC, if applicable) amount allocated for a development will be based on NIFA's final determination of the qualified basis for the building(s) or development and a review of the development's costs.

> **NOTE**: Failure to submit the Final Cost Certification Documentation by the required deadlines as set forth in the Final Cost Certification Procedures Manual will result in late fees and could result in the revocation of the Section 42(m) Letter and, if applicable, the AHTC allocations. Extensions may be requested as set forth in Section 5.1.

8. LIHTC AND AHTC GUIDELINES.

Following are general guidelines of the LIHTC Program and other set-asides. These guidelines are not conclusive and should not be relied upon as tax advice. NIFA suggests that, prior to completing the Pre-Application or the LIHTC/AHTC Application, you consult with an independent, third-party certified public accountant or attorney for a complete interpretation of Section 42 and other related tax laws in the Code. NIFA's review of documents submitted in connection with a Pre-Application or the LIHTC/AHTC Application is solely for its own purposes. NIFA makes no representations to the development's Owner or anyone else as to:

(a) compliance with the Code, Treasury Regulations or any other laws or regulations governing LIHTC or AHTC; or

(b) the financial feasibility or viability of any development.

No member, officer, agent or employee of NIFA will be personally liable concerning any matters arising out of, or in relation to, the allocation of LIHTC or AHTC. LIHTC will be awarded based on federal tax law and the 2022/2023 QAP. AHTC will be awarded based on Nebraska law and 2022/2023 QAP. NIFA reserves, commits and allocates 4% LIHTC to partnerships, corporations, limited liability companies. LIHTC commitments, reservations and allocations are not transferable, and any change in development ownership requires NIFA's prior written approval. NIFA verifies development ownership through organizational documents, closing documents, warranty deeds and title reports.

NIFA reserves the right to not allocate 4% LIHTC (and, if applicable, AHTC) to any development, regardless of ranking/scoring, if NIFA determines in its sole discretion that the development does not further the purpose and goals of the LIHTC Program. For purposes of this determination, the information taken into account may include, but is not limited to, the applicant/sponsor's experience and performance and the applicant/sponsor's prior participation in the NIFA program and other states' LIHTC programs. The prior performance considered may include, but is not limited to, progress achieved with previous Conditional Reservations, Section 42(m) Letters, Carryover Allocations, Cost Certifications, development compliance and payment of fees due to NIFA.

NIFA reserves the right to not allocate 4% LIHTC (and, if applicable, AHTC) to any development, regardless of ranking/scoring, if NIFA determines in its sole discretion that a disproportionate number of LIHTC developments (including developments using 9% LIHTC) have been developed in a particular census tract within the past three-year period. NIFA may decide to allocate 4% LIHTC to a development in another county to best serve the citizens of Nebraska. This right will be exercised only in limited circumstances, such as when LIHTC developments (including developments using 9% LIHTC) in a particular census tract have a vacancy rate of 7% or more, or if, when taking into account current LIHTC/AHTC Applications and existing LIHTC developments and others previously approved and funded (but not yet constructed or occupied), LIHTC developments would create a disproportional number of low-income housing units in that particular area.

Applicants who have been convicted of, entered an agreement for immunity from prosecution for or pleaded guilty (including a plea of no contest) to a crime of dishonesty, moral turpitude, fraud, bribery, payments of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records are ineligible to apply for LIHTC. Applicants who have been barred from any other NIFA program, other state LIHTC programs or any federal programs are also ineligible to apply for LIHTC. Applicants having an identity of interest with any barred entity may also not be eligible to apply for LIHTC at the sole discretion of NIFA. Furthermore, NIFA reserves the right to amend or modify any of the program instructions or procedures contained within the QAP, the Pre-Application and LIHTC/AHTC Application and may exercise such right at any time and without liability to any applicant or other party for their expenses incurred in the preparation of a Pre-Application or a LIHTC/AHTC Application or otherwise.

9. BOND MINIMUM SET-ASIDE ELECTIONS

The Applicant must elect a minimum set-aside of income levels from those listed below.

9.1 20-50 ELECTION.

At a minimum twenty percent (20%) or more of the residential units in the development are occupied by individuals whose income is fifty percent (50%) or less of the Area Median Income ("AMI"); or

9.2 40-60 ELECTION.

At a minimum forty percent (40%) or more of the residential units in the development are occupied by individuals whose income is sixty percent (60%) or less of the AMI.

10. LIHTC MINIMUM SET-ASIDE ELECTIONS.

Any owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing development cannot be changed once made at the final LIHTC/AHTC Application submittal date(s) as outlined for the Allocation Cycles in Section 4. If a development fails to meet its elected minimum set-aside at the end of a year, it is not a qualified low-income housing project for that year under Section 42(g)(1)(C) of the Code and this noncompliance will be reported to the IRS on IRS Form 8823. Note, the owner may be subject to the loss of 4% LIHTC and any accompanying AHTC.

NIFA will permit the Average Income ("AI") option only for 4% LIHTC/AHTC Applications submitted under the 2020 (and future) QAP. Section 42 was modified to allow for AI, but similar changes were not made in Section 142 of the Code, with respect to multifamily housing bonds. However, AI still may be used in tax exempt Bond-financed LIHTC developments as long as the development satisfies both the AI set-aside election and one of the minimum set-aside elections applicable to tax-exempt bond financing (20/50 or 40/60 minimum set-aside). Thus, units with income limits above 60% or 50%, as applicable, do not count for purposes of Bond compliance.

10.1 20-50 ELECTION.

At a minimum twenty percent (20%) or more of the residential units in the development are both rent restricted and occupied by individuals whose income is fifty percent (50%) or less of Area Median Income ("AMI"); or

10.2 40-60 ELECTION.

At a minimum forty percent (40%) or more of the residential units in the development are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMI; or

10.3 AVERAGE INCOME ELECTION.

At a minimum forty percent (40%) or more of the residential units in the development serve households earning as much as eighty (80%) AMI, as long as the development's average income/rent limit is sixty (60%) or less of AMI.

NIFA is currently developing AI compliance and monitoring policies and will require any development electing AI to comply with such policies. Please note that as of the date of this Allocation Plan the IRS has not issued full and definitive guidance as to how it will administer or monitor developments making the AI election. Any development that considers such an election should do so in consultation with its counsel and/or tax advisors. NIFA is not espousing or recommending any specific approach to this matter.

(a) AI Affordability Requirements

AI is only permitted if all residential units in a development are designated low-income. Developments for which an owner selects AI may not have any unrestricted or market-rate residential units. Manager units are not subject to this restriction and are permitted in AI developments.

Income and rent levels are restricted to four (4) of the following AMI income brackets: 20% of AMI, 30% of AMI, 40% of AMI, 50% of AMI, 60% of AMI, 70% of AMI, and 80% of AMI.

Existing LIHTC developments are not eligible for the AI Election.

(b) Multi-Building Election

If the proposed development contains more than one building, the owner must make the 8b election on Form 8609, indicating that the development will be treated as a multiple building development.

(c) Documentation Requirements

The market study submitted with the LIHTC/AHTC Application, must demonstrate sufficient market demand for each AMI income bracket proposed. Equity and debt commitment letters must affirmatively demonstrate that they are based upon an AI set-aside. NIFA reserves the right to require a legal opinion verifying the ability of a development to utilize AI in combination with any other subsidy.

(d) Design Requirements

Units of similar size and configuration must have substantially similar design and be reasonably distributed throughout the building(s) regardless of the assigned AMI income bracket restriction. Owners must disperse AMI income bracket levels across unit types in a manner that does not violate fair housing laws.

(e) Timing Requirements

Eligible applicants must select AI at the time of final application as indicated in Section 4. NIFA will not permit a change to AI after a development has received a Section 42(m) Letter.

11. LIHTC COMPLIANCE MONITORING.

During the Affordability Period as set forth in the LURA, NIFA, as part of this LIHTC/AHTC Allocation Plan, is required to adopt and adhere to compliance monitoring procedures which will: (i) monitor developments for noncompliance and (ii) notify the IRS of any noncompliance of which NIFA becomes aware of in accordance with Section 42(m) of the Code, Treasury Regulation §1.42-5 and any other applicable regulations. All development owners must enter into a LURA with NIFA, binding all parties to comply with Section 42 of the Code, Treasury Regulation §1.42-5 and any other applicable regulations, such as the Violence Against Women Act of 2013. Pursuant to the LURA, development owners (or the management agents thereof) are required to attend, on an annual basis, a compliance seminar sponsored by NIFA. In addition, development owners with items of noncompliance that have not been corrected in a timely fashion in NIFA's sole discretion, may be ineligible to receive future allocations of LIHTC/AHTC.

The following procedures outline NIFA's plans for compliance monitoring by development owners. Such procedures, together with the covenants and representations contained in the LURA (the LURA is part of the 2022/2023 QAP) and shall constitute the procedures for compliance monitoring by NIFA. (Capitalized terms used below and not otherwise defined shall have the meanings as set forth in the LURA). Additional guidance can be found in the NIFA Compliance Manual located at www.NIFA.org.

11.1 TENANT INCOME CERTIFICATIONS.

Development owners shall maintain a file for each Qualified Tenant residing in the development (which shall be updated during each year of unit occupancy by the development owner). Each tenant file shall contain a copy of the rent record and a copy of such tenant's executed Application and Tenant Income Certification (the form of which is published on NIFA's website or otherwise available from NIFA) as well as supporting documentation, which is subject to independent investigation and verification by NIFA. Each tenant file shall be submitted to NIFA as set forth below or in such other form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Department of the Treasury or the IRS.

11.2 ANNUAL OWNER CERTIFICATIONS.

Development owners are required to immediately notify NIFA if, at any time, the residential units in a development are not occupied or available for occupancy as provided above. Development owners shall prepare and submit, under penalty of perjury, to NIFA, no later than January 31st of each year following the first year in which the minimum set-aside is required to be met, the Owner's Certificate of Continuing Program Compliance (a form of which resides on NIFA's website at www.nifa.org) and submission of Certification Portal (CP) data collected by the development owner.

11.3 RECORD KEEPING AND RETENTION.

Development owners are required to collect and retain records for each qualified low-income building in the development for at least six years after the due date (with extensions) for filing the federal income tax return for such year. Notwithstanding the above, records for the first year of the Credit Period must be retained for at least six years beyond the due date (with extensions) for the filing of the federal income tax return for the last year of the 15-year Compliance Period of the building. Such records shall include for each year during the 15-year Compliance Period the following information pertaining to each building in the development:

(a) The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

(b) The percentage of residential rental units in the building that are Qualified Units;

(c) The rent charged on each residential rental unit in the building, including any utility allowances;

(d) The number of occupants in each Qualified Unit and any changes in the number of occupants in each Qualified Unit;

(e) The Qualified Unit vacancies in the building and information that indicates when, and to whom, the next available units were rented;

(f) The annual income certification of each Qualified Tenant per Qualified Unit;

(g) Documentation to support each Qualified Tenant's annual income certification (for example, a copy of the Qualified Tenant's federal income tax return, Forms W-2 or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Tenant income is to be calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8"), and not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section 8, this documentation requirement is satisfied if the public housing authority provides a statement to the development owner declaring that the tenant's income does not exceed the applicable income limit under Section 42(g) of the Code;

(h) The Eligible Basis and the Qualified Basis of the building at the end of the first year of the Credit Period; and

(i) The character and use of the nonresidential portion of the building included in the building's eligible basis under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the development).

11.4 REVIEW PROCESS.

For each year of the Affordability Period, NIFA will perform a compliance review on the development. Certifications and other information submitted to NIFA (as described above) shall be reviewed for compliance with the requirements of Section 42 of the Code.

11.5 ON-SITE INSPECTION AND TENANT FILE REVIEW.

The LURA provides that NIFA, or its designated agent, shall have the right to perform on-site inspections of each building in the development, inspect each Qualified Unit and review the tenant file for each Qualified Unit.

NIFA, or its designated agent, will conduct an on-site inspection of each building in the development and inspect the number of the Qualified Units and review the tenant files for such Qualified Units as required by Section 42 of the Code. On-site inspections and tenant file reviews shall be conducted by the end of the second calendar year following the year in which the last building in the development was placed in service. Thereafter, NIFA, or its designated agent, will conduct on-site inspections of all buildings in the development and review the tenant files at least once every three years. NIFA shall notify each development owner in advance of any such on-site inspection and review. NIFA shall randomly select which Qualified Units and tenant records will be inspected and reviewed.

Any duly authorized representative of NIFA, the Department of the Treasury or the IRS may inspect the books and records of the development pertaining to the incomes of the Qualified Tenants residing in the development.

In conjunction with each on-site inspection, development owners must provide to NIFA, or its designated agent, any local health, safety or building code violations reports or notices received on the development. Based on the on-site inspection and NIFA's receipt and review of any local health, safety or building code violation reports or notices provided by the owner, NIFA shall determine whether each building in the development and its Qualified Units are suitable for occupancy.

11.6 NOTIFICATION TO OWNER.

In the event NIFA discovers a noncompliance issue with any of the provisions of the LURA or Section 42 of the Code, NIFA will immediately notify the development owner in writing. The development owner shall have 60 days from the issuance of such notice (the "Correction Period") to correct the noncompliance.

Noncompliance includes, but is not limited to, the following: (a) NIFA's failure to receive tenant income certifications, supporting documentation and rent records, (b) noncompliance with any provision of Section 42 of the Code and/or (c) any change in the applicable fraction or eligible basis of the development which would result in a decrease in the Qualified Basis of the development. NIFA shall be authorized and entitled, pursuant to the provisions of the LURA, to perform all acts necessary to comply with the monitoring and notification responsibilities set forth in Section 42(m)(i)(B)(iii) of the Code and any Treasury Regulations promulgated thereunder or other interpretations thereof by the IRS or the courts.

11.7 NOTICE TO INTERNAL REVENUE SERVICE.

Within 45 days after the expiration of the Correction Period, NIFA shall file with the IRS, a copy of Form 8823, setting forth the nature of the noncompliance and whether or not such noncompliance has been corrected.

11.8 LIABILITY AND DISCLOSURE OF INFORMATION.

Compliance with the requirements of Section 42 of the Code is the sole responsibility of the development owner. NIFA's obligations to monitor for compliance with the requirements of Section 42 of the Code does not, and will not, make NIFA liable for a development owner's noncompliance.

All Pre-Applications, LIHTC/AHTC Applications, and Private Activity Bond Cap Applications, materials, exhibits and correspondence submitted to NIFA are the property of NIFA. An agreement may be made between NIFA and any other appropriate federal regulatory agency to exchange such information.

Copies of Applications submitted pursuant to the QAP (which includes applications for 9% LIHTC, AHTC, 4% LIHTC, CRANE, and Private Activity Bond Cap) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for Applications at www.nifa.org.

By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to such publication of its Application and related information.

12. NIFA CONTACT INFORMATION.

Correspondence and inquiries should be directed to:

Nebraska Investment Finance Authority (NIFA)
1230 O Street, Suite 200
Lincoln, NE 68508-1402

Attention:	LIHTC Program
Telephone:	(402) 434-3900
	(800) 204-NIFA
Internet:	www.NIFA.org

APPENDIX A – FEE SCHEDULE

As stated in Section 2 – Bond, 4% LIHTC and AHTC Fee Schedule, NIFA shall collect the fees described below for the Bond and 4% LIHTC Program. All fees are nonrefundable unless otherwise noted. A 4% LIHTC/Bond Application will not be accepted unless the application fee accompanies the LIHTC Application. **NIFA reserves the right to revise the fee schedule with a 30-day notice. Note: Any revision will be pursuant to a 30-day notice posted on the NIFA website.**

Fee Type	Timeline	Description
Bond Fees		
Bond/4% LIHTC Pre-Application	Due at Submittal of Pre-Application and Optional Threshold	$250
NIFA Issuance/Bond Application *(Applicable only if NIFA is requested to consider issuing the bonds)*	Due at submittal of Pre-Application	1/16 of 1% of the Bond amount , tax-exempt and taxable, (0.000625); with a minimum of $1,000. *This fee will be applied to the "Bond Issuance Fee" if the bond issue closes.*
Private Activity Bond Cap Application	Due when NIFA has reviewed the LIHTC/AHTC application and notifies the owner/developer that they may submit a request for allocation of Private Activity Bond Cap	$150
Reservation Deposit	Due when NIFA has reviewed the LIHTC/AHTC application and notifies the owner/developer that they may submit a request for allocation of Private Activity Bond Cap	Equal to the lessor of $10,000 or 1% of the amount of the Private Activity Bond Cap allocation requested (with a minimum of $1,000) ***Additional Information regarding this deposit can be found in the 2022/2023 Housing Credit Allocation Plan for 4% LIHTC and AHTC.***
The following Bond Fees are applicable only if NIFA is the Issuer of the Bonds.		
Bond Issuance	Due at Bond Closing	1/8 of 1% of the Bond amount (0.00125), less credit for the amount paid as the NIFA Issuance Bond Application fee (with a minimum of $1,000)
Bond Annual Issuer Compliance	Due annually or upfront	1/8 of 1% (0.00125) of the original principal amount of the Bonds, payable until the expiration of the "qualified project period"

Fee Type	Timeline	Description
Bond Loan Document/Regulatory Agreement/Assumption/ Transfer	Due at request	1/8 of 1% (0.00125) of the original principal amount of the Bonds (with a minimum of $1,000. The development owner/developer is responsible for paying all other costs.
Bond Modification	Due at request	1/8 of 1% (0.00125) of the original principal amount of the Bonds (with a minimum of $1,000
Bond Refunding	Due at request	1/8 of 1% (0.00125) of the original principal amount of the Bonds (aggregate of tax-exempt bonds and taxable; $1,000 minimum)
4% LIHTC and AHTC Application Fees		
Threshold Review (Optional)	Due at submittal of Pre-Application	$250
LIHTC Full	Due at submittal of Full Application	The greater of 1% of the annual LIHTC requested or $500
AHTC Full	Due at submittal of Full Application	$500
42(m) Letter		
	Due with submittal of the 42(m) Letter Documentation – Section 4	The greater of 2% of the annual LIHTC amount or $500
Cost Certification		
LIHTC	Due within 90 days of PIS	2% of the annual amount of LIHTC allocated to the development- See Cost Certification Procedures Manual
AHTC	Due within 90 days of PIS	$500
Other Fees		
Application/Documentation Change	Due upon submittal of request	$100 an hour after the first hour of review, plus attorney fees
Additional Tax Credit Request	Due upon submittal of request	$2,000
Extension	Paid concurrently with the extension request	$500
Late Fees		
42(m) Letter	Assessed at 5:01pm on due date – Section 4	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period

Fee Type	Timeline	Description
Cost Certification	Assessed at 5:01pm on due date – Section 7	1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period
Annual Compliance Fees		
LIHTC	Annually on January 31st or Upfront	Annual – 2% of annual LIHTC allocated or minimum of $500 each year of the 15-year Compliance Period Upfront – 1.8% of the annual LIHTC allocated multiplied by the 15 years with a minimum fee of $9,000 (Must be elected and paid by Cost Certification submittal) **Example: Annual LIHTC Amount X 1.8% X 15 years= Upfront fee for first 15 years**
AHTC	Annually on January 31st or Upfront	$250 each year for 6-year Credit Period (Can be paid up front without a discount)
Average Income	Cost Certification Submission	.5% of the annual LIHTC allocated for each year during the 15-year compliance period **Example: Annual LIHTC Amount X .005 X 15 years= AI Election Fee**
Extended Use Period	After Compliance Period	The LIHTC Annual Fee will be payable in the amount as set forth in the Post Year-15 Monitoring Procedures
Other Fees		
Late Payment Penalty	Accounts more than 30 days delinquent	5% of the Annual Fee; any fees not collected will be turned over to legal counsel for collection
Transfer/Assumption	Due upon submittal of request	$1,500 plus attorney fees
Qualified Contract	Due upon submittal of Qualified Contract	$5,000

APPENDIX B – FAIR HOUSING ACT ACCESSIBILITY CERTIFICATION

FAIR HOUSING ACT ACCESSIBILITY CERTIFICATION

The following is a certification regarding design and construction requirements of the Fair Housing Act (the "Act"). This certification represents many, but not all, of the requirements to the Act. This certification is not intended to be exhaustive; rather, it is a helpful guide in determining if the major requirements of the Act have been met in designing and constructing the development. **If a box below is not checked due to the applicability of an exception to the Act, the architect MUST include an explanation of the exception, including a citation to the relevant section of the Act.**

GENERAL REQUIREMENTS

- ☐ Development has buildings containing 4 or more units and was designed and constructed for first occupancy on or after March 13, 1991.
- ☐ If it is an elevator building, all units are "covered units."
- ☐ All units in buildings with elevators have features required by the Act.
- ☐ If it is a non-elevator building, all ground-floor units are "covered units."
- ☐ All ground-floor units in buildings without elevators have features required by the Act.

NOTE: There is a narrow exception which provides that a non-elevator building in a development need not meet all of the Act's requirements if it is impractical to have an accessible entrance to the non-elevator building because of hilly terrain or other unusual characteristics of the site.

ACCESSIBLE BUILDING ENTRANCE ON AN ACCESSIBLE ROUTE

- ☐ The accessible route is a continuous, unobstructed path (no stairs) through the development that connects all buildings containing covered units and all other amenities.
- ☐ The accessible route also connects to parking lots, public streets, public sidewalks and public transportation stops.
- ☐ All slopes are no steeper than 8.33%.
- ☐ All slopes between 5% and 8.33% have handrails.
- ☐ Covered units have at least one entrance on an accessible route.

- ☐ There are sufficient curb cuts for a person using a wheelchair to reach every building in the development.

COMMON AND PUBLIC USE AREAS

- ☐ At least two percent of all parking spaces are designated as handicapped parking.
- ☐ At least one parking space at each common and public use amenity is designated as handicapped parking.
- ☐ All handicapped parking spaces are properly marked.
- ☐ All handicapped parking spaces are at least 96” wide with a 60” wide access aisle which can be shared between two spaces.
- ☐ The accessible aisle connects to a curb ramp and the accessible route.
- ☐ The rental or sales office is readily accessible and usable by persons with disabilities.
- ☐ All mailboxes, swimming pools, tennis courts, clubhouses, rest rooms, showers, laundry facilities, trash facilities, drinking fountains, public telephones and other common and public use amenities offered by the development are readily accessible and usable by persons with disabilities.

USABLE DOORS

- ☐ All doors into and through covered units and common use facilities provide a clear opening of at least 32” nominal width.
- ☐ All doors leading into common use facilities have lever door handles that do not require grasping and twisting.
- ☐ Thresholds at doors to common use facilities are no greater than ½”.
- ☐ All primary entrance doors to covered units have lever door handles that do not require grasping and twisting.
- ☐ Thresholds at primary entrance doors to covered units are no greater than ¾” and beveled.

ACCESSIBLE ROUTE INTO AND THROUGH THE COVERED UNIT

- ☐ All routes through the covered units are no less than 36” wide.

ACCESSIBLE ENVIRONMENTAL CONTROLS

- ☐ All light switches, electrical outlets, thermostats and other environmental controls must be no less than 15” and no greater than 48” from the floor.

REINFORCED BATHROOM WALLS FOR GRAB BARS

- ☐ Reinforcements are built into the bathroom walls surrounding toilets, showers and bathtubs for the later installation of grab bars.

USABLE KITCHENS AND BATHROOMS

- ☐ At least 30” x 48” of clear floor space at each kitchen fixture and appliance.
- ☐ At least 40” between opposing cabinets and appliances.
- ☐ At least a 60” diameter turning circle in U-shaped kitchens unless the cooktop or sink at end of U-shaped kitchen has removable cabinets beneath for knee space.
- ☐ In bathroom, at least 30” x 48” of clear floor space outside swing of bathroom door.
- ☐ Sufficient clear floor space in front of and around sink, toilet and bathtub for use by persons using wheelchairs.

Certification completed by the development architect:

Signature ________________________________

Printed Name ______________________

Company Name ____________________

Title _______________________________________

Date ______________________________

APPENDIX C – LIHTC QUARTERLY PROGRESS REPORT

LIHTC Quarterly Progress Report

Date: ______

Quarter: Select One

Development Owner: ______

NIFA #: ______

Development Name: ______

City: ______

Total Number of Buildings in Development: ______

Number of Buildings Placed-In-Service: ______

Estimated Completion Date for Entire Development: ______

Progress Update (please provide a brief explanation of the development's progress)

Title: ______

Submitted by: ______

NIFA
NEBRASKA INVESTMENT FINANCE AUTHORITY

NEBRASKA
Good Life. Great Opportunity.
DEPT. OF ECONOMIC DEVELOPMENT

LOW-INCOME HOUSING TAX CREDITS

2022/2023 9% NIFA/NDED Application

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

For Informational Purposes Only – Must Submit an Online Application

A. INSTRUCTIONS AND CERTIFICATION

1. <u>INSTRUCTIONS:</u>

The undersigned applicant hereby makes application to the Nebraska Investment Finance Authority ("NIFA") for a reservation of 9% federal low-income housing tax credits ("LIHTC"). The Affordable Housing Tax Credit ("AHTC") will be awarded in connection with qualifying developments for which the owners will receive an allocation of 9% LIHTC. A 9% NIFA/NDED Application (the "Application") must be submitted to NIFA/NDED in the following manner:

(a) Applications are due via the online funding application system no later than 5:00 p.m. on the last day of the application round/cycle as described in the applicable NIFA Housing Credit Allocation Plan for 9% LIHTC and AHTC.

(b) Application fees are due in NIFA's office no later than 5:00 p.m. on the last day of the application round/cycle as described in the applicable NIFA Housing Credit Allocation Plan (see Appendix A thereto).

(c) An Application will <u>not</u> be reviewed, scored, or considered by NIFA at any time if:

- (i) the developer, general partner/managing member or any affiliate thereof is delinquent on Nebraska LIHTC fees, AHTC fees, or Tax-Exempt Bond fees due and payable for other Nebraska LIHTC developments; or
- (ii) the general partner/managing member or any affiliate thereof currently has or has had items of noncompliance or violations of a Land Use Restriction Agreement/Tax-Exempt Bond Regulatory Agreement that have not been corrected within the applicable correction period on any other Nebraska LIHTC development; or
- (iii) the developer, general partner/managing member or any affiliate thereof is delinquent on any documentation or payments that are due and payable to NIFA, including but not limited to the following:
  - (a) Conditional Reservation Documentation/42(m) Letter
  - (b) Carryover Documentation
  - (c) 10% Test Documentation
  - (d) Cost Certification Documentation
  - (e) Asset Management Documentation
  - (f) TCAP Loan Repayment Amounts
  - (g) Any other documentation requested by NIFA

(d) Applications will be scored SOLELY on information provided in the online funding Application submitted for the applicable Allocation Round/Cycle deadline. An Application submitted for Threshold review <u>must</u> be resubmitted <u>in full</u> (whether or not changes have been made by the applicant subsequent to Threshold review) by the Final Full Application deadline in order to be considered for an allocation of LIHTC. (Any documentation or information submitted for a previous deadline will not be taken into consideration for the current deadline.)

Failure to submit the Application in the preceding manner will result in the Application being returned to the applicant without NIFA's and/or NDED's review. The Application must be filled out completely, with all questions and items completed. Inaccurate or incomplete information in the application may result in forfeiture of any LIHTC reserved or allocated.

The Application provides a joint application process for all applicants applying to NIFA for LIHTC and AHTC and to NDED for HOME, CDBG-DR, and HTF programs.

1. Sections marked with "DR" in the title refers to all CDBG-DR-specific elements included in the application.
2. Sections marked with "NON-DR" in the title refers to all elements included in the application that are not applicable to CDBG-DR.
3. Sections marked with "HOME" in the title refers to all HOME -specific elements included in the application.
4. Sections marked with "HTF" in the title refers to all HTF-specific elements included in the application.

INQUIRIES should be directed to:

LIHTC and AHTC Program:
LIHTC Allocation Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402
Telephone: (402) 434-3900
Fax: (402) 434-3921
Web Address: www.nifa.org

HOME/HTF Program:
Mechele Grimes
Nebraska Department of Economic Development
P.O. Box 94666
Lincoln, NE 68509
Telephone: (402) 309-4536
Email: mechele.grimes@nebraska.gov
Web Address: www.opportunity.nebraska.org

CDBG-DR Program:
Christina Zink
Nebraska Department of Economic Development
301 Centennial Mall South, 4th Floor
Lincoln, NE 68509
Telephone: (402) 309-4536
Email: christina.zink@nebraska.gov
Web Address: www.opportunity.nebraska.gov

2. APPLICATION REQUIREMENTS FOR HOME/CDBG-DR/HTF FUNDS *(to be verified by Nebraska Department of Economic Development)*

The following application requirements will be verified with data and information available to the Nebraska Department of Economic Development (NDED) and do not need to be specifically addressed in the LIHTC application.

1. Applicant is eligible. Eligible HOME, HTF, CDBG-DR applicants include 501(c)(3), 501(c)(4), for-profit developers, Local/Regional Housing Authorities, and Units of Local Government (excluding HTF). 501(c)(3) and 501(c)(4) non-profit organizations must include affordable housing in their mission.

2. Activities are eligible and comply with state Affordable Housing program priorities as referenced in the 2021 Annual Action Plan, and the 2022 Annual Action Plan when available, located at: **https://opportunity.nebraska.gov/grow-your-community/reports-plans/.**
   The CDBG-DR Action Plan is located at:
   https://opportunity.nebraska.gov/program/cdbg_dr/#action-plan

3. Applicant and partners have addressed and cleared all compliance problems from past awards and responses have been accepted by NDED.

4. Applicant and partners are current with all NDED reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, quarterly report assessment forms, etc.).

5. If invited by NDED, applicant and application preparer must attend Contract Review on the dates and locations determined by NDED and respond with satisfactory contract negotiation information in writing to the HOME/CDBG-DR/HTF LIHTC Set-aside by deadlines provided by NDED.

6. Please ensure that you do your utmost to project realistic cost schedules for your development. If the development is deemed not feasible after award, the funds will be returned to the LIHTC HOME/CDBG-DR/HTF funds set-aside.

3. CERTIFICATION OF APPLICANT/OWNER *(download a copy of Certification of Applicant/Owner from the Exhibit Examples at www.nifa.org)*

The undersigned, on behalf of the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC Program and the Nebraska Department of Revenue with respect to the AHTC Program and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC and the AHTC Program will be governed and controlled by the rules and regulations issued by the United States Treasury and Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this application or in the listed attachments and exhibits is in any way false, incorrect or incomplete, and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.

I (We) understand that any misrepresentations and/or fraudulent information contained within this Application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and the AHTC Program participation and notification of such to the Internal Revenue Service and Nebraska Department of Revenue.

I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC and AHTC or the use of the information concerning the LIHTC and AHTC Program.

I (We) hereby authorize any state LIHTC Allocating Agency to release to NIFA any and all information that such state LIHTC Allocating Agency has regarding development compliance, the curing of or failure to cure any development noncompliance, any formal or informal action taken by any state LIHTC Allocating Agency with respect to my/our participation in any low-income housing tax credit program and any other data that may be relevant to NIFA in its assessment of our development experience and compliance record.

I (We) acknowledge that copies of Applications submitted pursuant to the Qualified Allocation Plan ("QAP") (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for Applications at www.nifa.org.

By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to the release and publication of its Application and related information.

I (We) understand and agree that applicant shall, subsequent to submission of the original Application, notify NIFA in writing, within three (3) business days of becoming aware thereof, of any material adverse change or condition occurring in connection with the information submitted in the Application which (i) impairs the development of the project; (ii) would make the information contained in the Application no longer true and accurate; or (iii) adversely affects the scoring assigned, or to be assigned, to such Application. I (We) further understand that failure to notify NIFA may, in NIFA's sole discretion, result in the Application, allocation and/or Reservation to be revoked, modified, suspended, or rejected.

4. **CERTIFICATION OF HOME/CDBG-DR/HTF APPLICANT** *(if applying for HOME/CDBG-DR/HTF Funds and LIHTC) (download a copy of Certification of HOME/CDBG-DR/HTF Applicant from the Exhibit Examples at www.nifa.org)*

The undersigned certifies to the Nebraska Department of Economic Development:

He/she is duly authorized to so certify, and sign this application on behalf of the HOME/CDBG-DR/HTF applicant, under procedures prescribed by the governing rules/organizing documents applicable to governance of the applicant.

That the application contents, which include materials both preceding and following this certification, and all accompanying Exhibits, which Exhibits are incorporated herein by this reference, are true and correct to the best of my knowledge and belief.

That this certification applies to any and all certifications and assurances which may be internally contained within the body of the application (or internally contained within the incorporated Exhibits), as well as to the entirety of the application. Examples (but not an exhaustive listing) of such internally contained certifications and assurances include: the certification found at Exhibit 14 (entitled "Statement of Assurances and Certification for Local Governments"); and the certification found at Exhibit 16 (entitled "Applicant Certification Form for Non-Profits and Housing Authorities").

He/she commits the applicant to notifying the Department of Economic Development of any changes to the original application within 15 days of the change.

5. **IDENTIFICATION OF CONSULTANT** *(if a consultant is paid a fee in connection with the making or filing of this application)*

Applicant is employing the services of the following consultant(s), identified below, who will assist the applicant and/or its joint venturer or partner with all or a part of this application. For purposes of this application, "consultant" shall include accountants, investment bankers, financial advisors, investors, syndicators, attorneys and any other advisor or consultant who is assisting the applicant in the completion and/or filing of this application. For each such consultant, provide the information below and include an executed "Statement and Certification of Consultant".

6. **STATEMENT AND CERTIFICATION OF CONSULTANT** *(if a consultant is utilized in the making or filing of this application)* ***(download a copy of Statement and Certification of Consultant from the Exhibit Examples at www.nifa.org)***

The undersigned, as consultant(s) to the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC and the Nebraska Department of Revenue with respect to the AHTC Program, and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC program will be governed and controlled by rules and regulations issued by the United States Treasury and the Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this Application or in the listed attachments and exhibits is in any way false, incorrect or incomplete; and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.

I (We) understand that any misrepresentations and/or fraudulent information contained within this Application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and AHTC Program participation and notification of such to the Internal Revenue Service and the Nebraska Department of Revenue.

I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC or the use of the information concerning the LIHTC and AHTC Program.

B. DEVELOPMENT OVERVIEW (The following information must be completed online).

DEVELOPMENT NAME AND ADDRESS:

Development Name: _____

Address: _____ County: _____

City: _____ Legislative District: _____

Zip Code: _____ Congressional District: _____

*Please provide a one-page summary of the proposed development in **Exhibit 1**. Please identity aspects of the proposed development that are innovative or unique.*

HOME/CDBG-DR/HTF APPLICANT INFORMATION:

Name: _____ Contact Person: _____

Address: _____ Federal Tax I.D. Number: _____

City: _____ State: _____

Zip Code: _____ Email: _____

Telephone Number: _____ SAM #: _____

DUNS Number: _____

Type of Applicant: ☐ Unit of Local Government (excluding HTF) ☐ For-Profit Developers ☐ Local / Regional Housing Authority ☐ Non-Profit 501(c) (3) ☐ Non-Profit 501(c) (4)

A summary of the differences between the HOME and HTF programs can be found at: NDED Forms\HOME HTF Regulations Crosswalk.pdf.

The CDBG-DR "crosswalk" aka "DED-NIFA Joint Application, CDBG-DR Requirements" is available in the project toolbox at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction

Please complete and upload Exhibits 10-20 as applicable.

Type of Assistance: ☐ HOME/HTF ☐ CDBG-DR

HUD-DEFINED MOST IMPACTED AND DISTRESSED (MID) AREA (DR-4420) DR:

Is the proposed development located in a HUD-defined MID area? ☐ Yes ☐ No

NOTE: HUD requires that 80% of CDBG-DR funds be allocated and spent in HUD-defined MID areas. The HUD-defined MID areas include Dodge, Douglas, and Sarpy counties.

County: _____ Census Tract Number: _____

For additional information refer to the Natural Disaster section of the Application located on page 45.

Opportunity Zone

Is the proposed development located in an Opportunity Zone? ☐Yes ☐No

An Opportunity Zone listing can be found at https://opportunity.nebraska.gov/wp-content/uploads/2018/04/nebraska_opportunity_zones_apr_9_2018.pdf.

County: _____ Census Tract Number: _____

LIHTC/AHTC APPLICANT INFORMATION:

Name: _____
Address: _____
City: _____
Zip Code: _____
Telephone Number: _____
Contact Person: _____
Federal Tax I.D. Number: _____
State: _____
Email: _____

OWNERSHIP INFORMATION:

Name: _____
Address: _____
City: _____
Zip Code: _____
Telephone Number: _____
Contact Person: _____
State: _____
Email: _____

Has Ownership Entity been formed?
☐Yes ☐No

Federal Tax ID Number: _____
(if entity is formed)

Identify the Persons or Entities who will be part of the Ownership Entity:

Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%

Has the applicant, or any affiliate of the applicant or ownership entity ever sold or transferred LIHTC and to a new ownership entity prior to placing the buildings in service or within a year thereafter? ☐Yes ☐No *If "Yes", provide the details of the transfer in **Exhibit 2**.*

TYPE OF LIHTC REQUESTED:

☐New Construction
☐Rehabilitation Only
☐Acquisition & Rehabilitation
☐New Construction/Acquisition & Rehabilitation

MINIMUM SET-ASIDE ELECTION: (check one only)

☐ 20-50 Test	The development meets this requirement if 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median income ("AMI").
☐ 40-60 Test	The development meets this requirement if 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the AMI.
☐Average Income Test	The development meets this requirement if 40% or more of the residential units in the development serve households earning as much as eighty percent (80%) of the AMI, as long as the average income/rent limit in the development is sixty percent (60%) or less of the AMI.

LIHTC SET-ASIDE CATEGORIES:

Applicant is requesting LIHTC from one of the following categories: ☐For-Profit ☐Non-Profit

Name of Non-Profit: ___________________________

*If Non-Profit is selected, please complete **Exhibit 3**.*

NOTE: If a development is requesting an allocation from the non-profit set-aside, the nonprofit organization must have an ownership interest in the low-income housing development throughout the 15-year Compliance Period and materially participate in the development and operation of the development.

Applicant is requesting LIHTC from one of the following categories: ☐Metro (MSA) ☐Non-Metro

Applicant is requesting LIHTC under the CRANE Program? ☐Yes ☐No

(If "Yes", a CRANE application must be submitted and the development will be assigned a CRANE category designation prior to the submittal of the Application.)

Please check the eligible development type:

☐ Special Needs Population: Identify population ______

☐ Native American Housing ☐ Adaptive Reuse

☐ Response to settlement agreement ☐ Reentry Housing

☐ Housing in a county without a LIHTC development

☐ Response to Presidential Disaster Declaration

QUALIFIED CENSUS TRACT/DIFFICULT DEVELOPMENT AREA:

Is the proposed development located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA)? ☐Yes ☐No **(2 points)**

Census Tract Number: _____ Difficult Development Area: _____

NOTE: The Basis Boost for QCT's or DDA's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

*Developments in a QCT may be eligible for up to two (2) point if the development directly contributes to a Concerted Community Revitalization Plan (CCRP). Applicants must submit a letter (dated within one (1) year of the applicable final application deadline) from the highest governmental body stating that the development contributes to a CCRP, specifying the name of the plan and the name of the development (indicate the page number of the CCRP that pertains to the proposed development) along with a copy of the Plan as **Exhibit 215**.*

CCRP must:

1. Be geographically specific (the proposed development must be within the identified CCRP's defined area).
2. Demonstrates the need for revitalization in the CCRP designated area.
3. Provide strategies for investment of, both public and private resources for infrastructure, amenities, and services in the area of the proposed development.
4. Have been approved within last ten (10) years.
5. Include identification of community partners, timelines, and goals.

The proposed development is part of a neighborhood redevelopment plan or leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation, i.e. a Choice Neighborhood program. **(1 point)**

Developments in a QCT that are part of a neighborhood redevelopment plan or Choice Neighborhood program may be eligible for up to one (1) additional point. Provide a copy of the neighborhood redevelopment plan or evidence of Choice Neighborhood program participation as Exhibit 216.

QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS BY COUNTY: Following are the Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42.					
Douglas	3.00	4.00	6.00	7.00	8.00
	11.00	12.00	16.00	19.00	20.00
	21.00	23.00	24.00	26.00	27.00
	27.00	29.00	31.00	32.00	33.00
	38.00	39.00	40.00	42.00	49.00
	50.00	51.00	52.00	53.00	54.00
	58.00	59.01	59.02	60.00	61.01
	61.02	63.01	63.02	63.03	65.06
	66.03	68.06	71.01	73.12	
Lancaster	3.00	4.00	5.00	7.00	8.00
	17.00	18.00	19.00	20.01	20.02
	21.00	27.01	31.03	33.01	
Adams	9661.00				
Buffalo	9695.00	9696.00			
Dakota	101.00				
Dodge	9644.00				
Gage	9651.00				
Jefferson	9638.00				
Madison	9607.00				
Scotts Bluff	9537.00				
Thurston	9401.00	9402.00			
DDA (ZIP Code)	68133				

DEVELOPMENT INFORMATION:

Has any party received from a previous year an allocation of LIHTC (either 9% or 4%) for the development?

☐Yes ☐No

If "Yes" provide the following:

Year of Allocation: _____ NIFA Number: _____ BIN(s): _____

Note: Developments that have received an allocation of LIHTC in a previous year are not eligible to apply for an allocation of LIHTC (either 9% or 4%) for that development until 20 years after the date the last building was placed in service.

Is a Basis Boost requested for the development? ☐Yes ☐No

All developments may request up to a 15% Basis Boost. For developments located in non-metro areas (outside of an MSA) that have overall rent targeting to households below 45% of AMI, the applicant may request up to a 20% Basis Boost; for CRANE developments the applicant may request up to a 30% Basis Boost; for developments located in a Census Tract that does not have an active LIHTC development, the applicant may request up to a 30% Basis Boost. With respect to developments located in a QCT or DDA, the applicant may receive up to a 30% Basis Boost.

If "Yes", please check the appropriate box:

☐ Up to 30% QCT/DDA ☐ Up to 15% ☐ Up to 20% (Non-Metro/AMI below 45%)
☐ Up to 30% (CRANE) ☐ Up to 30% Census Tract with no active LIHTC development

NOTE: The Basis Boost for QCT's, DDA's and non-QCT's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

If the development includes acquisition and rehabilitation, identify the date of the most recent sale or transfer of the building(s). Date: _____ Seller: _____

If the development includes acquisition and rehabilitation, were the building(s) suitable for occupancy at the time of the most recent sale or transfer?

☐Yes ☐No

If any building in the development is an existing single-family detached residence, was it used by the previous owner(s) as their principal residence during the past 10 years?

☐Yes ☐No

Have any of the buildings in the development been condemned or are uninhabitable?

☐Yes ☐No

Have any of the buildings in the development been acquired through foreclosure?

☐Yes ☐No

Will the development include any relocation of any tenants?

☐Yes ☐No

*If "Yes," provide a detailed description of the relocation assistance in **Exhibit 4**.*

SITE INFORMATION:

_____ Total Number of Buildings in the Development

_____ Number of Stories in Tallest Building

Will any of the buildings include an elevator? ☐Yes ☐No

If "Yes", please list the number of building(s) with an elevator: ____

Will the Development have manager/maintenance unit(s)? ☐Yes ☐No

_____ Total Number of Units in the Development (LIHTC, HOME, Market, Other, etc.)

_____ Total Square Footage of the Development

_____ Square Footage of Area for Commercial Space

_____ % Percentage of Floor Area for Commercial Space

_____ Number of Employee/Maintenance Unit(s)

_____ Square Footage of Employee/Maintenance Unit(s)

_____ Other Common Space Square Footage

_____ Total Net Rentable Square Footage of all Rental Units in the Development

_____ Total Number of LIHTC Units in the Development (excluding employee/maintenance unit(s))

_____ % Percentage of LIHTC Units in the Development

_____ Total Square Footage for LIHTC Units

_____ % Percentage of Floor Area for LIHTC Units

_____ Total Number of Market Rate Units

_____ Square Footage of Market Rate Units

_____ Total Site Area (Land) to be used for the Development. Please Specify: ☐Acres ☐Sq. Feet

Development Structure: (check all that apply and choose at least one):

☐Multifamily (more than 4 units per building) ☐Duplex

☐Single-family ☐Single Room Occupancy (SRO)

☐Other: _____

Does the Development target any of the following:

☐Special Needs - Please identify: _____ ☐Veterans Housing ☐Seniors

☐Other: _____ ☐Disaster Declaration Response

☐Housing needs outlined in the CDBG-DR Action Plan

SITE CONTROL:

Site control is in the form of (check only one)

☐ Contract/Option to Purchase in the name of the owner, its general partner or an affiliated entity

☐ Executed Disposition and Development Agreement with a Public Agency

☐ Signed long term land lease (with a minimum of 50 years)

☐ Recorded Warranty Deed in the name of the Owner, its general partner, or an affiliated entity

*Include evidence of site control in **Exhibit 103.***

Description of Exhibits can be found on page 35.

ZONING:

Please indicate the development's status in relation to local zoning requirements (check only one)

- ☐ Development meets all local zoning requirements or building permits have been issued.
- ☐ Development is not subject to municipal zoning ordinances.
- ☐ Development does not meet local zoning requirements and requires a zoning change or conditional use permit.

*Include zoning letter in **Exhibit 105**. Description of Exhibits can be found on page 35.*

OPERATING ASSISTANCE INFORMATION:

Do any of the units in the development receive or will receive rental assistance? ☐Yes ☐No

*If Yes, check the type of Rental Assistance and submit **Exhibit 5**:*

☐VASH Vouchers	☐Section 8 Project Based Assistance
☐RD 515 Assistance	☐State Assistance
☐McKinney Act Funding	

Number of years the units will receive assistance: ______

Number of units receiving assistance: ______

UTILITY ALLOWANCE CALCULATIONS:

Type	**Gas / Electric**	**Utility Paid By**	**Allowance Amount** 0-Bdr.	1-Bdr.	2-Bdr.	3-Bdr.	4-Bdr.
Heating	☐Gas ☐Electric	☐Owner ☐Tenant	_____	_____	_____	_____	_____
Air Conditioning	☐Electric	☐Owner ☐Tenant	_____	_____	_____	_____	_____
Lighting	☐Electric	☐Owner ☐Tenant	_____	_____	_____	_____	_____
Cooking	☐Gas ☐Electric	☐Owner ☐Tenant	_____	_____	_____	_____	_____
Hot Water	☐Gas ☐Electric	☐Owner ☐Tenant	_____	_____	_____	_____	_____
Sewer		☐Owner ☐Tenant	_____	_____	_____	_____	_____
Water		☐Owner ☐Tenant	_____	_____	_____	_____	_____
Trash		☐Owner ☐Tenant	_____	_____	_____	_____	_____
Total Utility Allowance:			_____	_____	_____	_____	_____
Total Utility Allowance Paid by the Tenant:			_____	_____	_____	_____	_____

Source of Utility Data:

☐HUD ☐Local Housing Authority (Name: ____________________)

☐USDA – Rural Development ☐Utility Company Estimate (Name: ____________________)

*(Please provide a copy of the documentation in **Exhibit 6**. Circle the appropriate utility information. Documentation must be effective within one year of the applicable final deadline.)*

Note: NDED approves utility allowances on a project by project basis based upon actual utilities, the HUD Utility Schedule Model or another acceptable utility allowance schedule such as the HOME Administration Manual –Revised August 2021 17-12 . Owners/managers should work with NDED to determine the actual schedule. Please refer to Chapter 16 & 17 of the HOME Manual for rental projects that can be found here:

https://opportunity.nebraska.gov/program/home/#administrators.

CONSTRUCTION SOURCES:

List all Preliminary and Firm Financing Commitments, including any grants, owner equity contributions, or deferred fees. If applying for HOME/CDBG-DR/HTF funds, please indicate if the funds will be used during construction. Also include any source and amount of financing for any commercial space in the development.

Lender or Source of Funds	Amount of Funds	Type of Financing	Financing Source*	Name & Telephone Number of Contact Person
______	______	______	______	______
______	______	______	______	______
______	______	______	______	______
Total Construction Financing:	______			

** e.g. conventional loan, federal grant, deferred loan, etc.*

PERMANENT SOURCES:

List all Preliminary and Firm Financing Commitments, including any grants, owner equity contributions, or deferred fees. Also include any source and amount of financing for any commercial space in the development.

Lender Name	Lender Contact & Telephone	Loan Amount	Type of Financing	Financing Source	Interest Rate	Amortization Period (Months)	Loan Term (Years)	Annual Debt Service
______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______
Total Permanent Financing:		______	Total Annual Debt Service:					______

SYNDICATION INFORMATION:

☐ LIHTC

Anticipated Net Equity Factor: ______
Amount of Estimated Proceeds: ______
Name of Syndicator: ______
Address: ______
City: ______
Zip Code: ______
Telephone Number: ______

☐ Historic Rehabilitation Tax Credits

Anticipated Net Equity Factor: ______
Amount of Estimated Proceeds: ______
State: ______
Contact Person: ______
Email: ______

SYNDICATION INFORMATION FOR NEBRASKA AFFORDABLE HOUSING TAX CREDITS:

☐ AHTC

Anticipated Net Equity Factor: ______
Amount of Estimated Proceeds: ______

Name of Syndicator: ______
Address: ______
City: ______ State: ______ Zip Code: ______
Contact Person: ______ Email: ______
Telephone Number: ______

DEVELOPMENT TEAM INFORMATION:

Applicant/Sponsor:	_____	Phone Number: _____	Identity of Interest: _____
Developer:	_____	Phone Number: _____	Identity of Interest: _____
General Partner:	_____	Phone Number: _____	Identity of Interest: _____
Contractor:	_____	Phone Number: _____	Identity of Interest: _____
Management Company:	_____	Phone Number: _____	Identity of Interest: _____
Consultant:	_____	Phone Number: _____	Identity of Interest: _____
Architect:	_____	Phone Number: _____	Identity of Interest: _____
Development Attorney:	_____	Phone Number: _____	Identity of Interest: _____
Accountant:	_____	Phone Number: _____	Identity of Interest: _____
Federal Syndication Firm:	_____	Phone Number: _____	Identity of Interest: _____
State Syndication Firm:	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____

List any direct or indirect financial or other interests a member of the Development Team may have with another member of the Development Team. List "none" if no identities of interest exist. _____

**Note: NIFA will notify the applicant at the time of threshold review if the management company listed above has any outstanding uncorrected non-compliance items as of 30 days prior to the applicable threshold application deadline.*

NOTIFICATION OF PUBLIC OFFICIAL:

Name of Political Jurisdiction: _____
Name of Chief Executive Officer: _____
Title of Chief Executive Officer: _____
Address: _____
City: _____ Zip Code: _____
Phone Number: _____ Fax Number: _____

C. EXHIBIT CHECKLIST

The following is a checklist of materials for submission with the Application. Please upload each Exhibit in the online funding application.

Applicants may also self-score all pertinent items and enter the appropriate number of points earned for each requirement. **NOTE: Applications must meet all Threshold Criteria Items. Applications that do not submit all applicable Threshold Exhibits will not be considered for an allocation of LIHTC and AHTC.** All information in the Exhibits must meet or exceed the provided exhibit descriptions and be dated within one year of the applicable final application deadline. For a detailed description of the Threshold Exhibits, please refer to page 35.

Threshold Exhibits	Description
☐ EXHIBIT 1	Provide a one (1) page summary of the proposed development
☐ EXHIBIT 2	Details of any sale or transfer of LIHTC and AHTC (if applicable)
☐ EXHIBIT 3	Non-profit information **(See Exhibit Examples)** (if applicable)
☐ EXHIBIT 4	Relocation assistance plan (if applicable)
☐ EXHIBIT 5	Evidence of rental assistance (if applicable)
☐ EXHIBIT 6	Current utility allowance documentation
☐ EXHIBIT 7	Pictures of the site/structure taken from each direction. **(North, South, East, & West)**
☐ EXHIBIT 8	Location Map (See Exhibit Examples for more information)
	Exhibits 10-20 are required only if applying for HOME, CDBG-DR, or HTF
☐ EXHIBIT 10	Site Visit Review and Approval **(HOME/HTF/CDBG-DR)** The CDBG-DR "crosswalk" aka "DED-NIFA Joint Application, CDBG-DR Requirements" is available in the project toolbox at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction
☐ EXHIBIT 11	Environmental review record and process and Determination of Level of Review **(HOME/CDBG-DR) HTF refer to:** https://files.hudexchange.info/resources/documents/Notice-CPD-16-14-Requirements-for-HTF-Environmental-Provisions.pdf
☐ EXHIBIT 12	Notice of Public Hearing or Public Meeting **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 13	Authorizing Resolution for local governments **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 14	Statement of assurances and certifications for local governments **(HOME/CDBG-DR)**
☐ EXHIBIT 15	Residential anti-displacement and relocation assistance plan **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 16	Applicant certification for non-profits and housing authorities **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 17	Authorizing Resolution for non-profits and housing authorities **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 18	Certification of rental project federal assistance **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 19	System for Award Management (SAM) **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 20	HOME/HTF Cost Allocation Tool (**HOME/HTF Funds**) refer to: HOME HTF-Cost-Allocation-Tool
☐ EXHIBIT 100	Architect Certification, Required Design and Required Green Standards, and Architectural Plans
☐ EXHIBIT 101	Fair Housing Act and Section 504 – Design
☐ EXHIBIT 102	Affirmative Marketing Plan
☐ EXHIBIT 103	Site Control
☐ EXHIBIT 104	Intentionally omitted
☐ EXHIBIT 105	Zoning
☐ EXHIBIT 106	Utilities
☐ EXHIBIT 107	Subsidies/Public Funds
☐ EXHIBIT 108	Investor Interest/Commitment Form
☐ EXHIBIT 109	Construction/Interim Financing Form
☐ EXHIBIT 110	Permanent Financing Form
☐ EXHIBIT 111	Development Worksheets **(See Exhibit Examples)**
☐ EXHIBIT 112	Market Study
☐ EXHIBIT 113	Pre-notification of Local Jurisdiction
☐ EXHIBIT 114	Capital Needs Assessment **(Rehabilitations and Adaptive Reuse only)**
☐ EXHIBIT 115	Ten Year Rule/Appraisal **(Acquisition credits only)**
☐ EXHIBIT 116	AHTC Investor Interest/Commitment Form

D. OTHER SELECTION CRITERIA – CRANE APPLICATIONS MUST SCORE A MINIMUM OF 30 POINTS IN THIS SECTION

COMPLIANCE & EXTENDED USE PERIOD/WAIVER OF QUALIFIED CONTRACT:

Please check the following compliance period and extended use period that will be applicable to this development. (The minimum term of the low-income occupancy commitment is 30 years.) Points will be awarded when the owner elects to extend the compliance period for additional years. Note: In any event, as will be provided in the LURA, the right with respect to requesting a Qualified Contract will terminate upon the sale, transfer, or disposal of the development by the initial owner.

☐ 15-year Compliance Period + 15-year Extended Use Period = 30 total **(0 points)**
Development owners may be eligible to request a Qualified Contract at any time after year fourteen (14).

☐ 15-year Compliance Period + 25-year Extended Use Period = 40 total **(1 point)**
Development owners may be eligible to request a Qualified Contract at any time after year twenty-four (24).

☐ 15-year Compliance Period + 30-year Extended Use Period = 45 total **(2 points)**
Development owners may be eligible to request a Qualified Contract at any time after year twenty-nine (29).

CRANE developments must elect the 15-year Compliance Period and 30-year Extended Use Period.
CROWN developments must elect the 15-year Compliance Period and 15-year Extended Use Period.
Please note if applying for HOME/HTF the affordability period of each program may vary. CDBG-DR affordability period for rental units is a 15-year period for multi-family rental projects with eight or more units, and a 20-year period for multi-family rental projects with five or more units.

WAIVER OF QUALIFIED CONTRACT (may be chosen in addition to the election above):

☐ Development owner will waive the right to request a Qualified Contract. **(3 points)**

Note: In any event, as will be provided in the LURA, the right with respect to requesting a Qualified Contract will terminate upon the sale, transfer, or disposal of the development by the initial owner.
The commitment to extend the Extended Use Period and/or waive the Qualified Contract request will be reflected in the LURA.

RIGHT OF FIRST REFUSAL:

The Right of First Refusal must be granted to a governmental entity (such as a local housing authority) or a non-profit entity with an organizational purpose that includes the development, ownership or operation of affordable housing for low income persons and families. Such non-profit entity must have a track record, acceptable to NIFA, of carrying out such purpose.

Will the owner offer a right of first refusal to a non-profit entity described under IRC Section 501(c)(3) or 501(c)(4), or to a governmental entity? ☐Yes ☐No

If *Yes*, please list to whom the owner intends to offer the right of first refusal: ________________ (Please list the name and contact information of the non-profit or governmental entity.) If a non-profit, attach as Exhibit 200 the Articles of Incorporation and By-Laws or organizational documentation evidencing the 501(c)(3) or (c)(4) status and information regarding the purpose and description of the activities of the non-profit entity relating to affordable housing. In the event the non-profit entity designated by the Applicant ceases to exist, any alternative non-profit entity proposed by the Owner must, at a minimum, meet the same requirements set forth above and must be acceptable to, and approved in writing by, NIFA.

Code Section 42 (i)(7) references a formula for determining this purchase price, equal to outstanding debt remaining on the development (excluding any debt added in the five years prior to the sale) plus federal, state, and local taxes due as a result of the sale.
The commitment of the Right of First Refusal will be reflected in the LURA. **(2 points)**

EVENTUAL TENANT HOMEOWNERSHIP (CROWN) NON-DR:
Will qualified tenants have a lease-purchase homeownership option? ☐Yes ☐No

The homeownership program will be operated as:
☐Short-term model ☐Long-term model
The commitment of eventual tenant homeownership will be reflected in the CROWN LURA (see www.nifa.org for a copy of the CROWN LURA). **(2 points)**
Note: By selecting points for Eventual Tenant Homeownership (CROWN), the owner will be required to waive any right to a Qualified Contract.

The points in this category are limited to developments which, at the time of placed in service, will have a condo regime or that have separate legal descriptions to enable the units to be deeded or conveyed to low-income tenants.
*Attach a copy of the homeownership plan as **Exhibit 201**, dated within one (1) year of the applicable final application deadline. CROWN developments are not eligible for CDBG-DR funding.*

PRESERVATION:

Is the development a federally assisted building in danger of having the mortgage assigned to HUD or RD, or in danger of creating a claim on a federal mortgage insurance fund? ☐Yes ☐No **(2 points)**

*Attach a letter from the institution to which the development is in danger of being assigned to as **Exhibit 202**, dated within one (1) year of the applicable final application deadline.*

Does the development involve preservation of existing affordable housing with an existing project-based rental assistance agreement (i.e. USDA-RD or HUD)? ☐Yes ☐No **(3 points)**

Attach a copy of the current project-based rental assistance agreement as Exhibit 202.

Does the development meet the Secretary of the Interior's Standards for Rehabilitation as interpreted by the National Park Service and involves the use of federal historic rehabilitation tax credits (For additional information, visit http://nps.gov)? ☐Yes ☐No **(2 points)**

Attach a copy of the fully executed Historic Preservation Certification Application Part 1 as Exhibit 202.

SENIOR DEVELOPMENT:

Will the development be reserved for elderly tenants? ☐Yes ☐No **(2 points)**

If *Yes*, ☐Age 55+ ☐Age 62+

The applicant must certify that the following requirements will be met by checking the following:

☐ Units will meet the minimum square footage of 650 square feet for a one-bedroom unit and 800 square feet for a two-bedroom unit (senior housing may only consist of one- or two-bedroom units). *NOTE: Developments proposing the acquisition and rehabilitation of an existing senior development may request a waiver of the minimum square footage requirements.

☐ The development will include handrails along steps and common areas, grab bars in bathrooms, routes that allow for barrier-free access, lever-type doorknobs, single-lever faucets and elevators for developments with more than two stories.

☐ The development is located on a suitable site that is within reasonable walking distance of basic services or has adequate access to public transportation.

☐ The units will be restricted to seniors who qualify for an exception of exemption under the Fair Housing Act.

Note: The Fair Housing Act prohibits discrimination against families with children. However, it exempts from this prohibition certain types of "housing for older persons". The exemption applies to "62 or over developments" and "55 or over developments," each of which must meet particular standards. The former requires that all units in a development be restricted to tenants who are at least 62 years of age. The latter requires that at least 80% of the units in a development have at least one resident who is at least 55 years of age and that the development have "policies and procedures" which make it clear that the development is for senior tenants. The design will be consistent with allowing seniors to age in place (e.g. one story, no stairs, etc.).

*If a waiver is requested for minimum square footage, attach a copy of the waiver as **Exhibit 203**, dated within one (1) year of the applicable final application deadline.*

FAMILY DEVELOPMENT:

Will the development include units that target low-income families with children, with at least 10% of the LIHTC units being four-bedroom units or larger? ☐Yes ☐No

Number of units four-bedrooms and larger: _____ **(1 point)**

To receive the points in this category, each of the targeted units must have at least a net of 1,500 square feet of living space for four-bedroom units (with a minimum of one and three-quarters bathrooms) or 1,600 square feet of living space for five-bedroom units (with a minimum of two and a half bathrooms).

Applicants for developments receiving points in this category may not receive points in the Senior Development category.

MIXED INCOME DEVELOPMENT:

Will the development include at least 10% of the units for market rate tenants? ☐Yes ☐No

Please note lots must be contiguous for mixed income developments.

Check the appropriate box: ☐At least 10% of the units are market rate **(1 point)**

☐At least 15% of the units are market rate **(2 points)**

☐At least 20% of the units are market rate **(3 points)**

DEVELOPMENT OF HOUSING IN GREATER NEBRASKA:

Within the last twenty-four (24) months, the Applicant/Developer has materially participated in the development of owner-occupied housing or rental housing (in each case, which housing is designed to be affordable for occupancy by persons and families) located in a community with a total population of 15,000 or less. To obtain the points in this category, the Developer must have provided at least 10 total units. The units can be located in more than one community as long as each community's population is 15,000 or less and the combined total number of units is at least 10. **(2 points)**

☐Yes ☐No

*Attach as **Exhibit 204**, dated within one (1) year of the applicable final application deadline, a description detailing the completed development, community, population and the applicant/developers material participation in the development.*

ECONOMIC DEVELOPMENT CERTIFIED COMMUNITY/ENTITLEMENT COMMUNITY/ LEADERSHIP COMMUNITY:

Is the development located in an Economic Development Certified Community/Leadership Community as designated by the Nebraska Department of Economic Development or in a CDBG entitlement community? **(2 points)**

☐Yes ☐No

PHA REFERRAL AGREEMENT:

The development owner has entered into an agreement with the local Public Housing Authority (PHA) to consider households from the PHA waiting list as potential tenants: ☐Yes ☐No **(1 point)**

*Attach a copy of the agreement as **Exhibit 205**, dated within one (1) year of the applicable final application deadline.*

Note: If the community does not have a PHA, the owner may utilize the nearest PHA or the office responsible for administering the Section 8 program.

DEVELOPER / OWNER FINANCIAL SUPPORT:

A partner/member of the development agrees to defer payment of a fee payable by the development or a partner/member agrees to make a capital contribution or personal loan to the development. Aggregate of deferred fees and/or capital contribution or personal loan is 25% or more of the total of the developer fee and overhead.

☐Yes ☐No **(2 points)**

Note: This financial support must be in addition to any proceeds of the syndication of the LIHTC and AHTC, and/or third-party loans. This commitment of financial support must be part of the sources and uses of funds at all review levels to receive points in this category.

TRACK RECORD OF APPLICANT AND/OR OWNER:

(1 point)

Complete one Certification of Experience-Applicant and Owner (developer, owner, general partner, managing member) and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska), in which the applicant and/or owner, has at any time had a role in a LIHTC development. Copies of emails sent to each State Allocating Agency and the corresponding Authorization of Release of Information must be uploaded as **Exhibit 206**.

Applicant and/or Owner (as defined in Exhibit 206) with unfavorable prior performance identified in exhibit 206 and as determined solely in NIFA's/NDED's opinion may not qualify for points in this category.

Any outstanding noncompliance issues that have a response due date prior to the final application deadline must be submitted to NIFA at least ten (10) business days before the final application deadline.

Implementation planned for 2024/2025: Applicant and/or Owner (as defined in Exhibit 206) has not requested an increase of LIHTC for a previously awarded development within the past 12 months. Applicants who have not received an award in the last 12 months are not eligible for this additional point.

MANAGEMENT QUALIFICATIONS AND EXPERIENCE:

Complete one Certification of Experience-Property Management Company and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska), in which the Property Management Company, has at any time managed a LIHTC development. Copies of emails sent to each State Allocating Agency and the corresponding Authorization of Release of Information must be uploaded as **Exhibit 207**. **(1 point)**

Upload a copy of the management company's attendance at both days of the **2021 or 2022** NIFA-sponsored annual LIHTC Compliance Training as **Exhibit 208**. **(2 points)**

Provide documentation of a Housing Credit Certified Professional (HCCP) designation (or equivalent) for staff of the management company as Exhibit 208. **(1 point)**

Any outstanding noncompliance issues that have a response due date thirty (30) days prior to the applicable threshold application deadline must be submitted to NIFA at least ten (10) business days prior to the applicable final application deadline.

NOTE: Management entities that have outstanding uncorrected noncompliance in the past three (3) calendar years or violations of a LURA that have not been corrected within the applicable correction period as indicated in Exhibit 206 will not be eligible for the point in this category. Management entities will be evaluated based on the date they first started the management of the development. Any change in management company prior to the development placing in-service must be approved by NIFA and not result in a change of points for this category.

DESIGN STANDARDS, GREEN STANDARDS, AND AMENITIES:

Please check the following design standards, green standards, and amenities that apply to the proposed development.

Upload as Exhibit 209 (Architect Certification for Design Standards, Green Standards and Amenities) a signed architect certification and the landscape plan from the Architect (dated within one year of the final application deadline) that certifies each election below:

DESIGN STANDARDS:

A maximum of 7 points are available in this category.

☐ Buildings will have solid brick, brick/stone siding, or natural stone, exterior finish material in excess of 25% of the front street visible exterior elevation. **(2 points)**

Must be visible and labeled in the Architectural Plans provided in Exhibit 100.

☐ Development will have landscaping.

Include a landscape plan detailing the number of plants and trees, as well as their proposed location and indicate whether the development's lawn will be sodded or seeded. **(2 points)**

☐ 20% or more of the units will meet the "visitability" design standards as defined by the Nebraska Assistive Technology Partnership (For additional information, visit https://atp.nebraska.gov). **(2 points)**

☐ Buildings will include exterior additions, such as pre-finished shutters, decorative exterior finishes, patio/porch fencing or additional decorative trim (certification must list specific exterior additions). **(1 point)**
Must be visible and labeled in the Architectural Plans provided in Exhibit 100.

Note: Failure to fulfill the commitment to provide any of the above design standards will result in the revocation of LIHTC and AHTC.

GREEN STANDARDS (INCLUDED IN EXHIBIT 209):
A maximum of 6 points are available in this category.

☐ Development will include a geothermal (ground source), closed loop heat pump system or active solar that will generate at least 25% of the total energy load for each unit. **(3 points)**
☐ Installation of internet connected smart thermostat for every HVAC system. (Can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit). **(2 points)**
☐ All mechanical equipment installed will be Energy Star® rated or better. **(2 points)**
☐ All exterior windows and doors will have an average R-value of 3.75 (.267 U Factor). **(1 point)**
☐ All exterior lighting will be photocell or timer controlled. **(1 point)**
☐ All carpet will include recycled-content carpet pad and carpet. **(1 point)**
☐ All interior paints and finishes will contain less than 250 grams/liter of VOCs. **(1 point)**
☐ Development will utilize water conservation techniques, such as water-efficient appliances and fixtures, low water landscaping and irrigation, and gray water. **(1 point)**
☐ Builder will follow a written waste reduction, recycle, and reuse plan. **(1 point)**
☐ Development will utilize passive solar building design. (Examples include, but are not limited to: building orientation, earth coupling, thermal mass, window sizing and placement, overhangs or landscaping for shading, sky lights, double-glazed glass in windows, or thermal insulation.) **Please include a description of the design elements in the architect's certification.** **(1 point)**
☐ Development will meet or exceed the requirements of the CDBG-DR Green Standards. The CDBG-DR Eligibility Requirements are available at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction **(6 points)**

Note: Failure to fulfill the commitment to provide any of the above green standards will result in the revocation of LIHTC and AHTC.

AMENITIES (INCLUDED IN EXHIBIT 209):
A maximum of 8 points are available in this category.
Amenities marked with an * MUST be visible and labeled in the Architectural Plans provided in Exhibit 100**.**

Additional Use Spaces (select as relevant)

☐ *On-site furnished community room with a minimum of 600 square feet (NOTE: Community room must be used exclusively by the tenants or for meetings/activities attended by tenant(s)) **(2 points)**

- ☐ *Garage for each unit at no cost to the tenant **(2 points)**
- ☐ *Storage area for each unit that is an enclosed, single, and secure space (Storage area must meet the following dimensions: 6w x 6d x 8h = 288 cubic feet. Garages and closets in bedrooms do not qualify as "storage areas".) **(1 point)**
- ☐ *Built in designated work or school space provided in each unit (must be at least 4 feet x 4 feet) **(1 point)**
- ☐ *Storm shelter for all units in the development (If selecting to provide a storm shelter that also will serve as a bathroom or bedroom closet, the Architect must certify that such space qualifies as a storm shelter. If such space qualifies as a storm shelter, the square footage can be included in the residential living square footage of the unit.) **(2 points)**

<u>Clothes Washing (select only one)</u>

- ☐ *Washer and dryer installed and maintained in each unit **(3 points)**
- ☐ *Washer and dryer hook-ups in each unit (n/a if points awarded for installed in each unit) **(1 point)**
- ☐ *Community laundry room (n/a if points awarded for installed in each unit) **(1 point)**

<u>Outdoor Health and Wellness (select as relevant)</u>

- ☐ *Designated exterior playground area or exercise equipment with sufficient equipment for usage by tenants in all units (a basketball hoop can qualify; however, it must be located in a dedicated space) OR **(2 points)**
- ☐ *Individual playground equipment for each unit in CROWN developments or scattered site developments **(2 points)**
- ☐ * Produce garden or individual garden plots, including a functional equivalent such as a vertical garden with a dedicated water source that is paid for by the development owner, within the development footprint **(1 point)**

<u>Productivity and Safety (select as relevant)</u>

- ☐ Each unit will be equipped with a medical alert / emergency response system at no cost to the tenant **(1 point)**
- ☐ Broadband/high-speed internet access and owner paid service for each unit **(2 points)**
- ☐ Fiber internet access and owner paid service for each unit **(3 points)**

PROJECT-BASED RENTAL ASSISTANCE:

Name of the Housing Authority that has committed to providing new project-based rental assistance including VASH or Rental Assistance Demonstration (RAD) vouchers:______
Number of units receiving project-based rental assistance: ______
Length of commitment for project-based rental assistance (in years): ______ **(2 points)**

*Attach a letter of commitment from the Housing Authority detailing the number of units that will receive project-based rental assistance & the length of the commitment for the project-based rental assistance as **Exhibit 210**, dated within one (1) year of the applicable final application deadline.*

NOTE: In order to receive points in this category, the project-based rental assistance commitment from the Housing Authority MUST be for at least 25% or more of the total units in the development and the length of the commitment MUST be for a minimum of 15 years. The points in this section are not available to developments with existing Project-Based Rental Assistance.

SUPPORTIVE SERVICES:

A maximum of four (4) points are available in this category and all services must be paid for by the Owner. NIFA encourages the use of available programs and resources to provide Tenants with as many Supportive Services as possible. If a selected Supportive Service, paid for by Owner, becomes available to Tenants at no cost to Owner, NIFA will require the Owner to update Supportive Services offered, which would include Owner agreeing to 1)) select another NIFA-approved Supportive Service with the same point value, as agreed with NIFA ; 2) assist Tenants in enrolling in the non-Owner paid program at no cost to Tenant, ongoing or otherwise; and 3) assure the continued availability of the initially selected Supportive Service to Tenants.

At least one (1) service must be provided in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two points.

Developments may provide services at a central location if transportation is provided at no cost to the tenant and the transportation plan is detailed in the supportive service agreement.

Due to the nature of CRANE projects, all CRANE applications must select services equal to the maximum points available in this category. Also, the applicant must provide a supportive service plan focused on services for the population being served. It is expected that CRANE developments will provide more services than indicated below and the supportive services plan should provide the details of those additional services.

Please check the following supportive services that apply to the proposed development.
*Attach a Supportive Service plan and commitment letters from the appropriate supportive service providers as **Exhibit 211** dated within one (1) year of the applicable final application deadline.*

Health

☐ On-going Medical Alert/Emergency Response System (can only be selected in conjunction with equipping the units under the amenities section) **(2 points)**
☐ Weekly Exercise Classes **(3 points)**
☐ Monthly Foot Care Clinics **(2 points)**
☐ Monthly Onsite Mental Health Services **(3 points)**
☐ Quarterly Onsite Medical, Dental or Vision Testing **(2 points)**
☐ Quarterly Onsite Therapy Animal Visits **(1 point)**

Finance

☐ Tenant Down Payment Savings Plan (CROWN projects not eligible) **(2 points)**
☐ Tenant Savings Plan (CROWN projects not eligible) **(1 point)**
☐ Owner Paid Renter's Insurance for Tenant (yearly). **(3 points)**

Education, Counseling or Training

☐ Weekly Tutoring Services for Students **(3 points)**
☐ Weekly After-School Enrichment Program **(3 points)**
☐ Monthly Onsite Job Training **(2 points)**
☐ Monthly Nutrition Education Classes **(2 points)**
☐ Quarterly Financial Management Classes **(1 point)**
☐ Quarterly Parenting Classes **(2 points)**
☐ Quarterly State and Federal Benefits Counseling **(1 point)**
☐ Quarterly Financial Literacy Classes for Youth **(2 points)**
☐ Annual RentWise Education **(1 point)**

Attach a copy of the certificate of the person authorized to provide the RentWise Education as ***Exhibit 211 that is dated within three (3) years****. If a certificate is older than three (3) years then a written confirmation from Nebraska Housing Developers Association must be submitted.*

Community and Care

☐ Onsite Food Pantry **(2 points)**
☐ On-going Recycling Services. **(2 points)**
☐ Licensed Childcare with Enrollment Fee (for each child paid for by the development) **(3 points)**
☐ Monthly Onsite Beautician Services **(2 points)**
☐ Monthly Onsite Congregate Meals (served to the tenants) **(1 point)**
☐ Monthly Onsite, Organized Tenant Activities (such as movie nights or potlucks) **(1 point)**
☐ Semi-Annual Clean-up Events **(1 point)**
☐ Annual Transportation (for the Tenant at least 12 round trips per year). **(2 points)**
☐ Annual Deep Cleaning of the Unit (must describe in service agreement) **(2 points)**
☐ Other Services Offered Annually (subject to NIFA's approval) Please list _____ **(1 point)**

Note: The "other" category for supportive service cannot be listed under any other exhibit and receive dual points in two categories. The supportive services must be available to all tenants residing in the development and not targeted to a certain group.

LEVERAGE AND COLLABORATION:

Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED funding sources will be eligible for up to 4 additional points. Signed, firm commitments from local government, private partners, non-profit and charitable organizations, excluding entities with an identity of interest (i.e. contractors, accountants, architects, consultants, engineers, development partner, syndicator, etc.) will be calculated in relation to total development costs.

Percent	Score
5-9.99%	1 point
10-14.99%	2 points
15-19.99%	3 points
20% and above	4 points

Eligible Resources	Non-Eligible Resources
Capital Contributions (including those from development partners)	NIFA & NDED funding sources (including HOME/CDBG-DR/HTF/NAHTF)
	Deferred fees or loans
Community Contributions (including City HOME/CDBG, TIF, LB840, etc.)	Conventional Loans
Land (not from a related party and must provide a third-party appraisal)	Seller Financing Note
	Donated Services

*Attach as **Exhibit 212,** provide commitment letters, appraisal of land from third-party, and any additional supporting documentation dated within one (1) year of the final application due date.*

NON-METRO ONLY
PROXIMITY TO SERVICES:
Choose up to one under each category below:

1) Grocery store, Farmer's Market, and/or Pharmacies (must be located within 3 miles of the proposed location). **(.5 points)**

2) Hospital, Medical Clinics, and/or Urgent Care (must be located within 3 miles of the proposed location) **(.5 points)**

3) Schools, Daycare Center, Senior Center, and/or Community Center (must be located within 3 miles of the proposed location **(.5 points)**

4) Public Park and/or Library (must be located within .5 miles of the proposed location) **(.5 points)**

*Attach as **Exhibit 213,** see Exhibit Examples.*

<u>NON-METRO ONLY</u>
<u>COMMUNITY HOUSING INITIATIVES:</u>

Will the development be located in a community with active housing activities? To be eligible for points in this category the community must demonstrate active housing activities within the last 24 months. This could include new construction, purchase/rehab/resale, demolition, lot preparation, etc. **(1 point)**

Yes ☐ No ☐

*Attach as **Exhibit 214**, a signed letter from the local jurisdiction detailing the number and type of housing activities that have occurred in the community within the past 24 months.*

<u>NON-METRO ONLY</u>
<u>SMALL COMMUNITY:</u>

The development is located in a community with a total population of 5,000 or less: **(3 points)**

Yes No If *Yes*, please list the total population of the community: ______

The development is located in a community with a total population over 5,000 to 15,000: **(2 points)**

Yes No If *Yes*, please list the total population of the community: ______

METRO ONLY
AREAS OF HIGH OPPORTUNITY:

NIFA will use data from Diversitydatakids.org to identify areas of high opportunity in three indexes, including 1). Education, 2). Health and Environment, and 3). Social and Economic. Data is available for each census tract with a rating of very high opportunity to very low opportunity in each index. Points will be assigned to each applicant for the respective ratings as outlined in the following table for the categories listed below:

Rating	**Score**
Very Low	0 points
Low	0 points
Moderate	.5 point
High	.75 point
Very High	1 point

If a proposed development obtains a Very High rating in all three indexes, Applicant will receive an additional 1 point.

NIFA will score each index as compared to the State based on the most recent ratings as published above for the census tract of the proposed development:

Education: ______

Health and Environment: ______

Social and Economic: ______

Index ratings can be found at:
https://www.diversitydatakids.org/maps/#/explorer/0/15/10,15//xe/s/1.0.14/41.136/-98.729/7.39/

E. OTHER SELECTION CRITERIA EXHIBIT CHECKLIST

All Exhibits must meet or exceed the provided exhibit descriptions and dated within one year of the applicable final deadline. Additional information provided in the Exhibit Examples document.

Other Selection Criteria	Exhibit	Maximum Points Available	Score
☐ Compliance & Extended Use Periods	No	5	_____
☐ Right of First Refusal	Exhibit 200	2	_____
☐ Eventual Tenant Homeownership	Exhibit 201 – Homeownership Plan	2	_____
☐ Preservation	Exhibit 202 – Letter from mortgage institution, project-rental assistance agreement, or Part 1.	3	_____
☐ Senior Development	Exhibit 203 – Waiver for minimum square feet	2	_____
☐ Family Development	No	1	_____
☐ Mixed Income Development	No	3	_____
☐ Development of Housing in Greater Nebraska	Exhibit 204 – Applicant/Developer Material Participation	2	_____
☐ Certified Economic Development Community/Entitlement Community	No	2	_____
☐ PHA Referral Agreement	Exhibit 205 – PHA Referral Agreement (See Exhibit Examples)	1	_____
☐ Developer / Owner Financial Support	No	2	_____
☐ Track Record of Applicant and/or Owner	Exhibit 206 – Certification of Experience- Applicant and Owner and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska).	1	_____
☐ Management Qualifications & Experience	Exhibit 207-Certification of Experience- Property Management Company and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska). Exhibit 208 – Evidence of attendance at 2021 or 2022 NIFA-sponsored annual LIHTC compliance training and/or evidence of Housing Credit Certified Professional Designation.	4	_____
☐ Architect Certification for Design Standards, Green Standards, and Amenities	Exhibit 209 – include Architect certification including Design Standards, Green Standards, Amenities and Landscape Plan. All other commitments must be visible and labeled in the Exhibit 100- Architectural Plans	21	_____
☐ Project Based Rental Assistance	Exhibit 210 – Commitment letter from the Housing Authority	2	_____
☐ Supportive Services	Exhibit 211 – Supportive Service Plan, Rent Wise Certificate, and commitment letters from service providers	4	_____
☐ Leverage and Collaboration	Exhibit 212 – Evidence of Leverage	4	_____
☐ Proximity to Services (Non-Metro only)	Exhibit 213 – Proximity to Services	2	_____
☐ Community Housing Initiatives (Non-Metro only)	Exhibit 214 – Letter from local jurisdiction	1	_____
☐ Small Community (Non-Metro only)	No	3	_____
☐ Areas of High Opportunity (Metro only)	No	4	_____

☐ Qualified Census Tract	Exhibit 215 – Letter & Plan	2	_____
☐ Neighborhood Revitalization Plan or Choice Neighborhood program	Exhibit 216—Neighborhood Plan or Evidence of Choice Neighborhood program participation	1	_____

In addition to the above scoring, all applications will be scored by NIFA/NDED on the following criteria. For a description of the criteria, please refer to page 43.

NIFA / NDED Scored Criteria	**Exhibit**	**Maximum Points Available**
Targeting Gross Rents to Lower Levels	No	Up to 5
Efficient Housing Production	No	Up to 6
Effective Use of HOME/CDBG-DR/HTF Funds (if applicable)	No	Evaluated by NDED
Natural Disaster Designation	No	3

YOUR APPLICATION IS COMPLETE!
PLEASE ATTACH EXHIBITS FOLLOWING THIS PAGE.

F. DESCRIPTION OF EXHIBITS (DO NOT SUBMIT THIS SECTION WITH THE APPLICATION)

EXHIBIT 100 – ARCHITECT CERTIFICATION, REQUIRED DESIGN AND REQUIRED GREEN STANDARDS, AND ARCHITECTURAL PLANS,

Provide a signed certification from the Architect (dated within one (1) year of the final application deadline) that certifies each requirement below:

1. Provide the following for each individual unit type and size; total square footage, residential living space square footage, garage, storage areas, unfinished basement or storm shelters square footage within the unit. The total square footage must = the residential living space + garage + storage areas + unfinished basement + storm shelter.
2. Required Design Standards: Roofing and siding of all buildings exceed the relevant standards set by the American Society for Testing and Material (ASTM).
3. Required Green Standards: All windows will have a minimum R-value of 2.86 or a maximum U-value of .35. All installed appliances will be Energy Star® rated or better. *Note: If the development is utilizing federal historic rehabilitation tax credits and is requesting an exception to the window standards, please include a letter from the Nebraska State Historic Preservation Office detailing the need for the exception.*
   Developments applying for CDBG-DR have additional eligibility requirements. The CDBG-DR Eligibility Requirements are available at:
   https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction
4. In addition, provide a signed certification from the architect that confirms that the development will be constructed in accordance/compliance with:

   (i) The applicable local energy conservation code, or, if no such code is applicable, then in accordance with the 2018 International Energy Conservation Code.

   (ii) Local Codes or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings)

   (iii) If applying for HOME/CDBG-DR/HTF Funds, for rehabilitation: The development will meet or exceed the NDED rehabilitation standards, and local code requirements or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings). The NDED rehabilitation standards can be found at: https://opportunity.nebraska.gov/program/home/#administrators
5. Upload legible and labeled preliminary architectural drawings that include all site plan(s), elevation drawings (North, South, East, West) of each building type, and schematic floor plans of the various unit sizes.

NOTE: Material changes to the floor plan(s) without prior approval of NIFA could result in revocation of the reservation or allocation of LIHTC and AHTC.

EXHIBIT 101 – FAIR HOUSING ACT & SECTION 504

1. Provide a signed certification from the Architect that confirms that the development will be constructed in accordance/compliance with:

   (i) The Fair Housing Act Amendments of 1988; consideration being given to the accessibility/adaptability of units to handicapped occupancy.

   (ii) If applying for HOME/CDBG-DR/HTF funds, Section 504 accessibility requirements are applicable to the development. Describe what Section 504 requirements apply to the development and how they will be met and/or exceeded. Information regarding Section 504 accessibility requirements can be found at: http://www.access.gpo.gov/nara/cfr/waisidx_98/24cfr8_98.html

   (iii) Signed certification must be dated within one year of the applicable final deadline.

EXHIBIT 102 – AFFIRMATIVE MARKETING PLAN

1. Provide an Affirmative Marketing Plan: The form is located at https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf .

   (i) Sign and date the form.

   (ii) Complete all applicable worksheets.

   (iii) Signed form must be dated within one year of the applicable final deadline.

NOTE: If the development consists of a scattered site (i.e. buildings in the development are located in different towns/cities), a plan is needed for each site.

<u>EXHIBIT 103 – SITE CONTROL</u>

Provide evidence of site control in the form of one of the following eligible forms (if multiple sites, the applicant must have control of <u>each site</u> making up the single development).

1. **Exhibit 103 must also include a legal description and evidence of current fee ownership (e.g. a copy of the current seller's recorded deed or a valid title commitment confirming seller's ownership).**
2. The expiration of any purchase/option agreement must not occur until at least **<u>90 days</u>** after the deadline for submitting the **final** application. (Note: not the threshold deadline).

<u>Eligible Types of Site Control:</u>

(i.) A valid contract/option to purchase the land (and building(s), if any) with the legal description clearly identified between the seller (who must be the current fee owner) & the owner, its general partner or an affiliated entity.

(ii.) Executed disposition and development agreement with a public agency with the legal description clearly identified. (Example: city owns the land (and building(s), if any) and has a transfer agreement with the Owner).

(iii.) Signed long-term land lease with the legal description clearly identified (with a minimum term of 50 years) in a form acceptable to NIFA/NDED with evidence that the lessor owns the land. Provide proof of underlying ownership. (**An agreement to enter into a lease with the above provision is also acceptable for developments located on Tribal lands or land owned by the Veterans Administration.)**

(iv.) Recorded Warranty Deed in the name of the owner, its general partner or an affiliated entity.

<u>EXHIBIT 105 – ZONING</u>

1. Provide a letter from the appropriate local governmental body dated within one (1) year of the final application deadline indicating the development's status in relation to local zoning requirements for the proposed number and type of units. Please use the form letter included as Exhibit 105 in the Exhibit Examples.

(i.) Development meets all local zoning requirements, including the proposed number and type of units.

(ii.) If the development is not subjected to municipal zoning ordinances, then the owner must supply NIFA/NDED with written documentation from the appropriate local governmental official, stating the proposed development can be built per the current governing land use regulations, subject only to review of final plans and specifications.

(iii.) If the development is currently a legal nonconforming use, as per zoning regulations, then the owner must have the zoning administrator's explicit evaluation that a conditional use permit or final approval can be obtained within **<u>180 days</u>** of the LIHTC and AHTC Conditional Reservation.

EXHIBIT 106 – UTILITIES

1. Provide a signed and dated letter from the appropriate local utility provider(s) dated within one (1) year of the final application deadline indicating that applicable utilities are or will be **available** <u>and</u> **adequate** or, if not adequate, provide a list of possible required improvements to serve the development (water, sewer, electric, gas, as applicable).

2. For rehabilitation developments (including developments proposing both new construction and rehabilitation):

NIFA/NDED will also require written confirmation from the development's engineer or architect that either the existing utilities require no upgrades, or that upgrades are required with an explanation detailing the nature and extent of necessary upgrades as appropriate.

EXHIBIT 107 – SUBSIDIES/PUBLIC FUNDS

1. Provide copies of all relevant documents, including the amount and terms of any committed funds. If multiple funding sources (i.e. FHLB, TIF, local jurisdiction funds) are included in the development, NIFA/NDED will score based upon the resource that has the least level of readiness and commitment. All documentation must be dated within one (1) year of the final application deadline. NIFA/NDED reserve the right to adjust the HOME/CDBG-DR/HTF Funds request as needed.
2. <u>If applying for HOME/CDBG-DR/HTF funds, provide a commitment letter from an alternative funding source that meets the above requirements in the event that the development does not receive HOME/CDBG-DR/HTF funds. Please note, the development will not be eligible for a conditional reservation of LIHTC/AHTC if HOME/CDBG-DR/HTF funds are not awarded unless an alternative commitment letter is provided.</u>
3. <u>Any development that has a financing gap, due to the non-award of another source of funding, including NDED funding sources, that is greater than $500,000 will not be eligible for a conditional reservation of LIHTC and AHTC.</u>

(i.) No subsidies/public funds are anticipated for the development other than NDED HOME/CDBG-DR/HTF funds, LIHTC, and/or AHTC.

(ii.) All anticipated subsidies/public funds are evidenced by firm commitments or awards (in the case of historic rehabilitation tax credits, a fully executed Part I or evidence that the development is listed on the National Historic Register).

(iii.) All anticipated subsidies/public funds <u>have been properly applied for</u>, and an acknowledgement letter has been provided by the subsidy provider(s).

(iv.) All anticipated subsidies/public funds <u>have been discussed with all proper authorities</u>, and such discussions have been acknowledged in writing by all subsidy provider(s).

EXHIBIT 108 – INVESTOR INTEREST/COMMITMENT FORM

Attach and label as Exhibit 108, the Investor Interest/Commitment Form.

NOTE: The form must not expire until at least 180 days after the deadline for submitting the final application, and an executed syndication agreement will be required within 90 days of the date of the conditional reservation.

(i) Firm commitment & pricing (note: if range of pricing, it must be no larger than $0.05) from investor that confirms/acknowledges the development's operating assumptions, projections and financial proforma and is accepted via signature by owner/developer for the entire amount of LIHTC requested.

(ii) A letter of interest and pricing (note: if range of pricing, it must be no larger than $0.05) from an investor that confirms/acknowledges the development's operating assumptions, projections and financial proforma.

EXHIBIT 109 – CONSTRUCTION / INTERIM FINANCING FORM

1. Attach and label as Exhibit 109, the Construction/Interim Financing Form. Construction/interim financing must cover all financing needs not covered by equity contributions, grants, permanent financing or other funding sources; and be adequate to complete construction.

2. Documentation must be dated within one year of the applicable final deadline.
   - (i) Completed Construction/Interim Financing Form verifying for the entire construction/acquisition/rehabilitation financing amount, binding upon the lender(s) for at least 180 days after the application is submitted for the final application deadline.
   - (ii) The applicant intends to finance all of the construction/rehabilitation costs from its own resources. To qualify for these points, the applicant must provide a third-party verification that such resources are (A) available and (B) committed solely to finance the development.

EXHIBIT 110 – PERMANENT FINANCING FORM

1. Attach and label as Exhibit 110, the Permanent Financing Form. Permanent financing must cover all financing needs not covered by equity contributions, grants or other funding sources; and must be adequate to achieve the minimum debt service coverage ratio required by NIFA/NDED, the lender and syndicator.

2. Documentation must be dated within one year of the applicable final deadline.
   - (i.) Completed Permanent Financing Form indicating a commitment, for the entire permanent financing amount, binding upon the lender(s) for at least 180 days after the application is submitted for the final application deadline accepted via signature by owner/developer.
   - (ii.) The applicant intends to finance all of the development costs from its own resources. To qualify for these points, the applicant must provide a third-party verification that such resources are (A) available and (B) committed solely to finance the development.
   - (iii.) The development does not require any permanent financing.
   - (iv.) Completed Permanent Financing Commitment Form indicating interest in financing the entire permanent financing amount.

EXHIBIT 111 – DEVELOPMENT WORKSHEETS (UNDERWRITING CRITERIA)

1. The Development Worksheets for Exhibit 111 can be found in the Exhibit Examples.

   The Development Worksheets must demonstrate that the development will be financially viable for a minimum of 15 years, 20 years if requesting HOME funds or 30 years if requesting National Housing Trust Funds (HTF)**. A copy of the Exhibit 111 must be uploaded to the online funding application as Exhibit 111. Please upload in Excel file format (not a pdf).** NIFA and/or NDED reserves the right to adjust the Development Worksheets to reflect economic and/or market conditions as they deem appropriate.

   The square footage of each unit should not include the following: garages, storage areas (as described in the Amenities Section of the application), and unfinished basement or storm shelters. It should reflect the residential finished living space. If selecting to provide a storm shelter that also will serve as a bathroom or bedroom closet, the architect must certify that such space qualifies as a storm shelter. If such space qualifies as a storm shelter the square footage can be included in the residential living square footage of the unit.
2. The Development Worksheets must meet the following minimum underwriting guidelines:

Minimum Underwriting Guidelines		
	LIHTC Only	LIHTC with HOME/CDBG-DR/HTF*
Replacement Reserves (per unit, per year)	$250	$350
Operating Reserves (debt service + operating expenses)	Consult lender(s) & syndicator	8 months
Vacancy Rate	7%	7%
Revenue Escalator (maximum allowed)	2%	2%
Expense Escalator (minimum required)	3%	3%
Minimum Debt Service Coverage Ratio	1.15	1.15

*Note: Must meet HOME/HTF Maximum Per-Unit Subsidy Limits and Cost Allocation limits to quality for HOME/HTF funds. Projects with HOME/HTF will need to complete the Cost Allocation spreadsheet and submit to NDED prior to the Threshold deadline if the applicant is submitting for the Threshold review, or prior to the Final Application deadline, if not submitting at for the Threshold review. Please review Chapter 16 of the NDED HOME Manual: Chapter 16 – Rental Housing Development Activities – Nebraska Department of Economic Development

3. During the first full year of operations, the development must achieve a debt service coverage ratio of:

(i.)	1.20 or higher
(ii.)	No permanent hard debt service
(iii.)	Between 1.15 and 1.19

EXHIBIT 112 – MARKET STUDY

1. IRC Section 42 requires a comprehensive market study of the housing needs within the community in which the development will be located. A description of information required to be included in the market study is set forth in the Exhibit Examples labeled Exhibit 112.
2. Documentation must be dated within one year of the applicable final deadline.
3. HOME, CDBG-DR and HTF applicants – Market study must support the absorption of units within 18 months of completion of the development.

EXHIBIT 113 – PRE-NOTIFICATION OF LOCAL JURISDICTION

1. Provide a copy of the letter(s) or email submitted to the chief executive officer (i.e. Mayor) for each applicable local jurisdiction. The letter/email must **be current (dated no earlier than one (1) year prior to the current round final application deadline) and** describe the following characteristics of the development: a) the development's configuration (i.e. number of units, bedroom types); b) density; c) planned use; d) intent to apply for LIHTC and AHTC.
2. Provide a confirmation of receipt, for each pre-notification. Confirmation can be evidenced by either certified mail receipt, overnight mail receipt or a confirmation letter/email from the appropriate official's office.
3. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 114 – CAPITAL NEEDS ASSESSMENT

1. If the development involves the rehabilitation or adaptive reuse of an existing building(s), the application must include a capital needs assessment ("CNA") for the building(s). A description of information required to be included in the CNA is set forth in the Exhibit Examples.
2. If the development does not involve rehabilitation of an existing building(s), a CNA is not required.
3. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 115 – TEN YEAR RULE/APPRAISAL

1. If the development involves the acquisition of an existing building(s), provide a legal opinion from an attorney that the Ten Year Rule requirements will be or have been met or that the acquisition of the existing building is exempt from the Ten Year Rule. An example of the form of legal opinion is located in the Exhibit Examples.
2. Provide a copy of the current appraisal from an unrelated third party.
3. If the applicant is not requesting acquisition LIHTC in connection with the development, a legal opinion is not required.
4. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 116 – AHTC INVESTOR INTEREST/COMMITMENT FORM

Attach and label as Exhibit 116, the AHTC Investor Interest/Commitment Form.

NOTE: The form must not expire until at least 180 days after the deadline for submitting the final application, and an executed syndication agreement will be required within 90 days of the date of the conditional reservation.

(i) Firm commitment and equity pricing of $0.60 or greater from investor that confirms/acknowledges the development's operating assumptions, projections and financial pro forma and is accepted via signature by owner/developer for the entire amount of AHTC requested.

(ii) A letter of interest or commitment and pricing of less than $0.60 (note: if range of pricing, the range must be no larger than $0.05) from an investor that confirms/acknowledges the development's operating assumptions, projections and financial pro forma.

ALL APPLICATIONS MUST MEET THRESHOLD CRITERIA TO RECEIVE FURTHER CONSIDERATION BY NIFA AND/OR NDED.

G. DESCRIPTION OF NIFA / NDED SCORED CRITERIA

Targeting Gross Rents to Lower Levels • Up to five (5) points may be awarded based upon the depth of the targeted gross rent levels for the development. • Three (3) points will be awarded if at least 10% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 40% of the applicable AMI. • Two (2) points will be awarded if at least 40% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 50% of the applicable AMI. These units shall be in addition to any units selected at 40% AMI or less. • NOTE: Applicants must agree to have the development rents bound by the targeting commitments as set forth in the application for the duration of the 15-year compliance period, which will be incorporated in the LURA. Developments participating in the CRANE Program are required to score five (5) points in this category.	Points Available: Up to 5
Efficient Housing Production • The development represents an efficient production of housing. Up to six (6) points will be awarded when comparing current applicants, in a measure of the quality of effort made to minimize development costs, and leverage funding sources in the production of affordable housing. Applications will be separated by development type (new construction vs rehabilitation) within each set-aside. If there are not at least four applications proposing rehabilitation developments, the measurements from the previous year(s) shall be used. Adjusted eligible basis cost per unit (up to two (2) points); adjusted eligible basis cost per residential finished square foot (not including garages, unfinished basements and storage areas) (up to two (2) points) and LIHTC per occupant (up to two (2) points) are within reasonable limits as compared to local and national standards (NOTE: If requesting a basis boost, the basis boost for QCT's, DDA's, and non QCT's will have an impact on the scoring of LIHTC per occupant in this category.)	Points Available: Up to 6
Effective Use of HOME/CDBG-DR/HTF Funds (for developments applying for HOME/CDBG-DR/HTF funds) Prior to the scoring team meeting, NDED will independently evaluate each of the applications, which include a request for State HOME/CDBG-DR/HTF funds. This evaluation will be based upon the information contained in the joint NIFA/NDED application in order to ensure that the following items are satisfied: (a) Site plans have been prepared which are appropriate for the development and development's location; (b) Applicant has obtained appropriate site control; (c) All subsidies needed for the development are in place or applicant has provided sufficient documentation that all subsidies are obtainable;	Evaluated by NDED

(d) A syndicator has provided a firm commitment to the applicant for the development which includes firm pricing with a range no greater than $0.05;
(e) Construction financing has been secured for the development;
(f) Permanent financing has been secured for the development (if permanent financing is required);
(g) The Development Worksheets submitted by the applicant evidence that the financing terms and debt service coverage will provide for long term sustainability of the development; and
(h) The request for HOME/CDBG-DR/HTF funds does not exceed 25% of the total development costs.
(i) Efficient Housing Production for HOME/CDBG-DR/HTF Funds will be evaluated by cost per unit, cost per residential finished square foot (not including garages, unfinished basements, and storage areas), and HOME/CDBG/DR/HTF per occupant.
(j) Each project will be evaluated in accordance to 24 CFR 92.250.

NDED will work with and notify applicants prior to the final application due date as to whether or not NDED has approved the site selected for the development and whether or not NDED is committed to funding a development if that development receives a LIHTC allocation. During the scoring process, NDED will provide the scoring team with a list of the developments that NDED is prepared to fund based on the above-mentioned criteria. NDED will fund developments requesting HOME/CDBG-DR/HTF funds based on the final ranking made by the scoring team and approved by the NIFA Board until the balance of HOME/CDBG-DR/HTF funds are allocated. NDED reserves the right to reduce HOME/CDBG-DR/HTF funding to a maximum of $500,000, regardless of ranking. If applying for HOME/CDBG-DR/HTF funds, it is required that you provide a commitment letter from an alternative source for the balance above the $500,000 in the event that the development does not receive the full amount requested for HOME/CDBG-DR/HTF. If NDED is unable to fund a development in its entirety (with the total HOME/CDBG-DR/HTF request applied for within this LIHTC Application) and there is no documented source of alternative funding, NDED will not recommend that development for a HOME/CDBG-DR/HTF allocation and it will be the responsibility of the Applicant to secure additional funds for the development. NDED reserves the right to not fund applications based on the status of other federal and state funding sources, including those involved in the development and any conditional reservation of funds, regardless of ranking.

Natural Disaster Designation

Two (2) points will be awarded to developments, located, or to be located, in a county that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster.

The list of eligible counties is as follows:

Antelope	Boone	Boyd
Buffalo	Burt	Butler
Cass	Colfax	Cuming
Custer	Dawson	*Dodge
*Douglas	Hall	Holt
Howard	Knox	Madison
Nance	Nemaha	Pierce
Platte	Richardson	Saline
Santee Reservation	*Sarpy	Saunders
Stanton	Thurston	Washington

*Counties included in the HUD-defined MID area

OR

Three (3) points will be awarded to housing developments, located or to be located in a community that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster. The list of eligible communities is as follows:

Fremont	Gretna	Inglewood
La Vista	Papillion	Waterloo
Valley	Springfield	Bellevue

Developments will only receive points in one of these categories (not both). Amounts requested or allocated from CDBG-DR funds under the program guidelines will be further governed and/or limited by HUD program overlays.

Points Available: 0, 2 or 3

H. FINAL RANKING

1. NIFA/NDED will rank each application according to the total number of points awarded in each of the Other and NIFA scored criteria.
2. After evaluating and scoring all applications received for each application acceptance round, NIFA/NDED will consider the following factors in determining which development will receive a LIHTC reservation if there is a tie between applications. (NOTE: In the event that more than one development in the CRANE program rises to a category one in the same month and the CRANE program does not have sufficient LIHTC and AHTC to fund such CRANE developments, the following factors will determine which development will receive a LIHTC reservation.)

   (a) consideration given to meeting the established set-asides;
   (b) which application demonstrates readiness to proceed with the development, specifically meeting all zoning requirements or building permits being issued;
   (c) which serves the lowest income tenants;
   (d) which obligates the owner to serve qualified tenants for the longest period of time;
   (e) which provides the most efficient usage of the LIHTC on a per unit basis; and
   (f) which is located in a QCT and contributes to a concerted community revitalized plan.

<u>OVERVIEW OF RANKING PROCESS – CONSIDERATIONS</u>

1. NIFA may disqualify applications from applicants who have previously failed to place into service developments which received a Carryover Allocation or who have not fulfilled their obligation of any previously issued LIHTC Conditional Reservation.
2. NIFA shall award LIHTC and AHTC only in the amount needed based on the review of the development. The award of LIHTC and AHTC or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the development by NIFA. NIFA will, from time to time, set a maximum amount of LIHTC and AHTC that can be allocated to a development in an amount, which it deems appropriate, given the demand for LIHTC and AHTC and the relative proposed costs of currently competing development applications. No member, officer, agent or employee of NIFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the LIHTC and AHTC.

NOTE: Should the Nebraska Department of Revenue, IRS or the Department of the Treasury release rulings, notices or regulations that modify or change any of the information of this application, these rulings, notices or regulations will take precedence over the QAP and application. Copies of applications submitted pursuant to the QAP (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for applications at www.nifa.org.

By submission of an application pursuant to the QAP, the applicant acknowledges and agrees to such publication of its application and related information.

NIFA™
NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

2022/2023 4%/Bond Pre-Application

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

For Informational Purposes Only – Must Submit an Online Application

A. INTRODUCTION

Applicants interested in requesting an allocation of federal 4% low income housing tax credits ("4% LIHTC") and Nebraska Affordable Housing Tax Credits ("AHTC") issued in connection with the issuance of qualifying tax-exempt bonds ("Bonds") must complete the various applications described herein and submit such applications to the Nebraska Investment Finance Authority ("NIFA") in accordance with the procedures and at the times set forth herein and as further described in the NIFA Low Income Housing Tax Credit Program, 2022/2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC (the "4% LIHTC/AHTC Allocation Plan").

NOTE: NIFA will **only** review applications during the allocation cycles ("Allocation Cycles") set forth in the 4% LIHTC/AHTC Allocation Plan.

- **Pre-Application**. To initiate the process, Applicants are required to complete and submit this Pre-Application (along with applicable fees) online to NIFA at www.nifa.org by the date(s) set forth in the 4% LIHTC/AHTC Allocation Plan. The Bond 4% LIHTC and AHTC Fee Schedule ("Fee Schedule") is set forth in the 4% LIHTC/AHTC Allocation Plan. **NOTE:** If you are requesting that NIFA be the issuer of the bonds, a date for consideration by the NIFA Board of a limited purpose intent resolution will be scheduled during a regular NIFA Board meeting.
- **Optional Threshold Review**. Threshold review is optional for anyapplicant seeking the 4% LIHTC or AHTC. However, if an applicant decides to participate in the Optional Threshold Review, the Threshold Criteria in the 4% LIHTC/AHTC Application must be submitted with the Pre-Application, along with the fee outlined in the Fee Schedule. NIFA will communicate with development owners that do not meet the Threshold Criteria to generally outline deficiencies in the threshold exhibits with respect to the Threshold Criteria.
- **Full 4% LIHTC/AHTC Application.** Complete and submit the LIHTC, Nebraska Affordable Housing Tax Credits, HOME and National Housing Trust Funds Application (the "4% LIHTC/AHTC Application") (along with applicable fees) online at www.nifa.org by the date(s) set forth in the 4% LIHTC/AHTC Allocation Plan. Until the 4% LIHTC/AHTC Application is considered "final" by NIFA staff, a request for Private Activity Bond Cap (next step below) will not be scheduled for action by the NIFA Board.
- **Application for Private Activity Bond Cap.** Upon notification and request by NIFA, complete and submit the Unified Volume Cap Allocation Application (the "Cap Application") (along with applicable fees) online at www.nifa.org to request an allocation of Private Activity Bond Cap.

- **Requests for Private Activity Bond Cap for Both 4% LIHTCs and AHTCs**

  - For both 2022 and 2023, NIFA will make available up to approximately $35 million of Private Activity Bond Cap in accordance with the procedures further set forth in this 4% LIHTC/AHTC Allocation Plan pursuant to a competitive process in connection with requests for the allocation of 4% LIHTC and accompanying AHTC for developments as further set forth in this 4% LIHTC/AHTC Allocation Plan. A request for Private Activity Bond Cap for a development accessing both 4% LIHTC and AHTC shall not exceed $18 million per development.

- **Requests for Private Activity Bond Cap for 4% LIHTCs Only**

  - For both 2022 and 2023, NIFA will consider requests for Private Activity Bond Cap in accordance with the procedures further set forth in this 4% LIHTC/AHTC Allocation Plan for the allocation of 4% LIHTC only. Private Activity Bond Cap for Bonds to finance developments which will not request or receive an allocation of AHTC will be allocated, subject to availability of Private Activity Bond Cap, as announced by NIFA. The Private Activity Bond Cap limit per development (for which an allocation of AHTC is not requested) is $22 million for 2022 and shall thereafter be increased annually for inflation based upon the Consumer Price Index. Additionally, at the discretion of the Board of NIFA, the applicable limit may be increased on a per project basis for the 4% LIHTC/Bond Program.

Submission of Pre-Applications: Pre-Applications must be submitted to NIFA in the following manner:

(a) Pre-Applications are due via the online funding application system no later than 5:00 p.m. on the last day of the Allocation Cycle as described in the NIFA 4% LIHTC/AHTC Allocation Plan.

(b) Pre-Application fees are due in NIFA's office no later than 5:00 p.m. on the last day of the Allocation Cycle as described in the NIFA 4% LIHTC/AHTC Allocation Plan.

(c) A Pre-Application will not be reviewed, scored or considered by NIFA at any time if:

  (i) the developer, general partner/managing member or any affiliate thereof is delinquent on Nebraska LIHTC fees, Nebraska Affordable Housing Tax Credit fees or Tax-Exempt Bond fees due and payable for other Nebraska LIHTC developments; or

  (ii) the general partner/managing member or any affiliate thereof has or has had items of noncompliance or violations of a Land Use Restriction Agreement/Tax-Exempt Bond Regulatory Agreement that have not been corrected within the applicable correction period on any other Nebraska LIHTC development; or

(iii) the developer, general partner/managing member or any affiliate thereof is delinquent on any documentation or payments that are due and payable to NIFA, including but not limited to the following:

(a) Conditional Reservation Documentation/42(m) Letter
(b) Carryover Documentation
(c) 10% Test Documentation
(d) Cost Certification Documentation
(e) Asset Management Documentation
(f) TCAP Loan Repayment Amounts
(g) Any other documentation requested by NIFA

All applications referred to above are available at www.nifa.org and must be completed and submitted to NIFA online. Submit fees to MF Bond Program:

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402

For additional information on the 4% LIHTC/AHTC/Bonds process, please refer to the NIFA 4% LIHTC/AHTC Allocation Plan.

B. PRE-APPLICATION PROCESS

Please check the appropriate box below regarding the proposed issuer of the bonds.

☐ **NIFA AS ISSUER OF TAX-EXEMPT BONDS (See credit requirements for bonds issued by NIFA at www.nifa.org.)**

Applicants shall complete and submit this Pre-Application for a particular Allocation Cycle. An applicant may elect to participate in an Optional Threshold Review by submittingthe Threshold Criteria in the 4% LIHTC/AHTC Application at the same time of the Pre-Application, along with the non-refundable fees as outlined in Appendix A of the 2022-2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC. The applicant must proceed to complete and submit the full 4% LIHTC/AHTC Application online in accordance with the applicable Allocation Cycle dates.

The submitted 4% LIHTC/AHTC Applications will be reviewed, scored and, depending upon the score, recommended to the NIFA Board of Directors for a Conditional Allocation. Upon NIFA Board of Directors approval, the board will be asked to consider the adoption of a limited purpose intent resolution. A limited purpose intent resolution does not bind NIFA to ultimately issue bonds, but is a requirement for an allocation of Private Activity Bond Cap and consideration of final bond approval by the NIFA Board.

The applicant will be notified and requested to submit to NIFA a separate Cap Application requesting an allocation of Private Activity Bond Cap. This Cap Application must be accompanied by both the applicable Reservation Deposit and the Private Activity Bond Allocation Fee. (See the NIFA 4% LIHTC/AHTC Allocation Plan for additional details.) **[NOTE: The duration of the allocation of Private Activity Bond Cap is limited to a specific period of time. Thus, your 4% LIHTC/AHTC Application must be approved by NIFA as final prior to applying for an allocation of Private Activity Bond Cap.]**

*See the NIFA 4% LIHTC/AHTC Allocation Plan for information on the applicable fees charged by NIFA in connection with both the issuance of Bonds and the allocation of 4% LIHTC and AHTC.

☐ **NIFA IS NOT THE ISSUER OF TAX-EXEMPT BONDS**

Applicants shall complete and submit this Pre-Application for a particular Allocation Cycle. An applicant may elect to participate in an Optional Threshold Review by submitting the Threshold Criteria in the 4% LIHTC/AHTC Application at the same time of the Pre-Application, along with the non-refundable fee as outlined in Appendix A of the 2022-2023 Housing Credit Allocation Plan for 4% LIHTC and Nebraska AHTC. The applicant must proceed to complete and submit the full 4% LIHTC/AHTC Application online in accordance with the applicable Allocation Cycle dates. A copy of the intent resolution adopted by the proposed issuer (e.g. governmental entity) of the bonds must be included in the submission of the final full 4% LIHTC/AHTC Application. Submission of an intent resolution does not bind NIFA to ultimately allocate Private Activity Bond Cap, but is a requirement for an allocation of Private Activity Bond Cap by the NIFA board.

The submitted 4% LIHTC/AHTC Applications will be reviewed, scored and, depending upon the score, recommended to the NIFA Board of Directors for a Conditional Allocation.

The applicant will be notified and requested to submit to NIFA a separate Private Activity Bond Cap Application requesting an allocation of Private Activity Bond Cap. This Private Activity Bond Cap Application must be accompanied by both the applicable Reservation Deposit and the Private Activity Bond Allocation Fee. (See the NIFA 4% LIHTC/AHTC Allocation Plan for additional details.) **[NOTE: The duration of the allocation of Private Activity Bond Cap is limited to a specific period of time. Thus, your 4% LIHTC/AHTC Application must be approved by NIFA as final prior to applying for an allocation of Private Activity Bond Cap.]**

*See Appendix A found in the NIFA 4% LIHTC/LIHTC Allocation Plan for information on the applicable fees charged by NIFA in connection with the allocation of 4% LIHTCs and AHTCs.

ARE YOU REQUESTING NEBRASKA AFFORDABLE HOUSING TAX CREDITS IN CONJUCTION WITH THE FEDERAL LOW INCOME HOUSING TAX CREDITS?

☐ Yes

☐ No

*If you are NOT requesting Nebraska AHTC, complete and sign the waiver at the end of this Pre-Application and upload as Exhibit 4 with your Pre-Application submittal.

C. APPLICANT/OWNER OVERVIEW

APPLICANT INFORMATION:

The applicant anticipates being part of the final ownership entity. ☐Yes ☐No

Legal Name of Entity: _____
Address: _____
City: _____ State: _____
Zip Code: _____
Telephone Number: _____ Email: _____

Applicant Contact Person: _____
Applicant Contact Information if different from above:
Address: ____ State: ____
City:____
Zip Code: ____ Email: ____
Telephone Number: ____

OWNERSHIP INFORMATION:

Name: _____ Contact Person: _____
Address: _____
City: _____ State: _____
Zip Code: _____ Email: _____
Telephone Number: _____ Fax Number: _____
Has Ownership Entity been formed? ☐Yes ☐No
Federal Tax ID Number: _____

Identify the Persons or Entities who will be part of the Ownership Entity:

Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%

Has the applicant, or any affiliate of the applicant or ownership entity ever sold or transferred LIHTCs to a new ownership entity prior to placing the buildings in service or within a year thereafter?

☐Yes ☐No *If "Yes", provide the details of the transfer in **Exhibit 1**.*

D. DEVELOPMENT OVERVIEW

DEVELOPMENT NAME AND ADDRESS:

Development Name: _____
Address: _____ County: _____
City: _____ Legislative District: _____
Zip Code: _____ Congressional District: _____

DEVELOPER NAME AND ADDRESS:

Name: _____ Contact Person: _____
Address: _____ Telephone Number: _____
City: _____ Email: _____
State: _____
Zip Code: _____

TYPE OF PROJECT (check one):

☐ New Construction
☐ Acquisition and Rehabilitation
(Percent of Rehab:___%)
____ Total Development Cost

*Please provide a one-page summary of the proposed development in **Exhibit 2,** which includes the following:*

The impact of the proposed project on the local economy (the description should include the following elements):

- The ability of the local community to provide support services including, among other things, roads, sewer, water and schools.
- Local need for the project and effort on the local economic base in terms of direct and indirect jobs, diversification, and tax base.

DEVELOPMENT TEAM/OTHER PARTIES:

Has any party of the development team (including those participants listed below) received an allocation of LIHTCs from a previous year for the development? ☐Yes ☐No

If "Yes" provide the following: Year of Allocation: _____ NIFA Number: _____ BIN Numbers: _____

*For each participant listed below, please provide the full name of the firm and/or individual, their full address, telephone number and the name of the contact person, and interest, if any, in the development in **Exhibit 3.** If any members of the development team (to include the Developer, Bond Counsel, or Bond Trustee located elsewhere on this Pre-Application) have any direct or indirect financial or other interest or relationship with any other project team member, describe those relationships in **Exhibit 3.***

Applicant/Sponsor:	_____	Phone Number: _____	Identity of Interest: _____
Developer:	_____	Phone Number: _____	Identity of Interest: _____
General Partner:	_____	Phone Number: _____	Identity of Interest: _____
Contractor:	_____	Phone Number: _____	Identity of Interest: _____
Management Company:	_____	Phone Number: _____	Identity of Interest: _____
Consultant:	_____	Phone Number: _____	Identity of Interest: _____
Architect:	_____	Phone Number: _____	Identity of Interest: _____
Development Attorney:	_____	Phone Number: _____	Identity of Interest: _____
Accountant:	_____	Phone Number: _____	Identity of Interest: _____
Syndication Firm:	_____	Phone Number: _____	Identity of Interest: _____

SITE INFORMATION:

______ Total Number of Buildings in the Development

______ Number of Stories in Tallest Building

Will any of the buildings include an elevator? ☐Yes ☐No If yes, how many?___

______ Total Number of Units in the Development (LIHTC, HOME, Market, Other, etc.)

______ Total Square Footage of the Development

______ Square Footage of Area for Commercial Space

______ % Percentage of Floor Area for Commercial Space

Will the Development have Manager/Maintenance Unit(s)? ☐Yes ☐No

______ Number of Employee/Maintenance Unit(s)

______ Square Footage of Employee/Maintenance Unit(s)

______ Other Common Space Square Footage

______ Total Net Rentable Square Footage of all Rental Units in the Development

______ Total Number of LIHTC Units in the Development (excluding employee/maintenance unit(s))

______ % Percentage of LIHTC Units in the Development

______ Total Square Footage for LIHTC Units

______ % Percentage of Floor Area for LIHTC Units

______ Total Number of Market Rate Units

______ Square Footage of Market Rate Units

______ Total Site Area (Land) to be used for the Development. Please Specify: ☐Acres ☐Sq. Feet

Development Structure: (check all that apply)

☐Multifamily (more than 4 units per building)

☐Single-family

☐Single Room Occupancy (SRO)

☐Duplex

☐Four-plex

☐Special Needs

☐Elderly Housing

☐Congregate care facility

☐Other: ______

BOND MINIMUM SET-ASIDE ELECTION (check one only):	
☐ 20-50 Test	The development meets this requirement if 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income.
☐ 40-60 Test	The development meets this requirement if 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the area median gross income.
LIHTC MINIMUM SET-ASIDE ELECTION (check one only):	
☐ 20-50 Test	The development meets this requirement if 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median income ("AMI").
☐ 40-60 Test	The development meets this requirement if 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the AMI.
☐ Average Income Test	The development meets this requirement if 40% or more of the residential units in the development serve households earning as much as eighty percent (80%) of the AMI, as long as the average income/rent limit in the development is sixty percent (60%) or less of the AMI. PLEASE NOTE: Average Income may be used in bond-financed LIHTC developments as long as the development satisfies BOTH the Average Income set-aside election and one of the minimum set-aside elections applicable to tax-exempt bond financing (20/50 or 40/60 minimum set-aside).

E. BOND FINANCING

BOND ISSUER:
Name: ______ Contact Person: ______
Address: ______
City: ______ State: ______
Zip Code: ______
Telephone Number: ______ Email: ______

BOND COUNSEL:
Name: ______ Contact Person: ______
Address: ______
City: ______ State: ______
Zip Code: ______
Telephone Number: ______ Email: ______

BOND TRUSTEE:
Name: ______ Contact Person: ______
Address: ______
City: ______ State: ______
Zip Code: ______
Telephone Number: ______ Email: ______

F. SOURCE OF FUNDS

Will any portion of the project be financed directly or indirectly with Federal, State, or Local Government funding? ☐Yes ☐No

Please indicate the sources of funds and the amounts anticipated for this project.

☐ Tax-Exempt Bonds	$__________
☐ Taxable Bonds	$__________
☐ Tax Increment Financing	$__________
☐ Grants	$__________
☐ Other	$__________
☐ Other	$__________

BONDS:

☐ **TAX-EXEMPT BONDS**

Will the development receive tax-exempt bond financing for at least 50% of the aggregate basis of the building(s) and land includable in the Development? ☐Yes ☐No

Type of bond sale: ☐Private Placement ☐Public Sale

If a Public Sale is proposed, will the bonds be rated? ☐Yes ☐No

If "Yes" provide the following:

Rating: ______

Rating Agency: ______

Bond Underwriter: ______

Bond Trustee: ______

Bond Security:

Bond Insurance: ☐Yes ☐No

Project Mortgage: ☐Yes ☐No

Credit Enhancement: ☐Yes ☐No

If "Yes" provide the following:

What type? ______

By whom? ______

Other: ______

☐ **TAXABLE BONDS**

Type of bond sale: ☐Private Placement ☐Public Sale

If a Public Sale is proposed, will the bonds be rated? ☐Yes ☐No

If "Yes" provide the following:

Rating: ______

Rating Agency: ______

Investment Bank: ______

Bond Trustee: ______

Bond Security:

Bond Insurance: ☐Yes ☐No
Project Mortgage: ☐Yes ☐No
Credit Enhancement: ☐Yes ☐No
If "Yes" provide the following:
What type? ______
By whom? ______
Other: ______

☐ **LOANS**

Projected Loan Terms:

Principal Amount: $______
Interest Rate: ☐Fixed ☐Variable
Term of Loan: ______ Years
Amortization: ______ Level ______ Balloon

Loan Security:

Development Mortgage: ☐Yes ☐No
Assignment of Project Rents: ☐Yes ☐No
FHA Mortgage Insurance: ☐Yes ☐No
Personal Guarantees: ☐Yes ☐No
Loan Credit Enhancement: ☐Yes ☐No

☐ **LIHTC/AHTC**

LIHTC/AHTC Amount Requested: $______
Amount of Estimated LIHTC Proceeds: $______
Amount of Estimated AHTC Proceeds: $______

G. PROPOSED EFFECT ON TAXES

Present property tax base:	$______
Property taxes after completion:	$______
Property tax increase:	______
Estimated sales taxes during construction:	$______

H. EXPRESSION OF INTENT

Adoption of a limited purpose intent resolution by NIFA (or submission to NIFA of an intent resolution adopted by another governmental issuer of bonds) does NOT constitute final approval by NIFA and does not legally obligate NIFA to issue bonds or to allocate Private Activity Bond Cap. NIFA may require additional information from the applicant and the NIFA Board of Directors must be satisfied that the public purposes of the NIFA Act are furthered by the development and financing of the proposed development.

I. PUBLIC INFORMATION

Copies of Applications submitted pursuant to the Qualified Allocation Plan (which include applications for 9% LIHTCs, AHTCs, 4% LIHTCs and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for each Application at www.nifa.org.

By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to such publication of its Application and related information.

J. STATEMENT AND CERTIFICATION OF APPLICANT/OWNER

The undersigned has read and fully understands this Pre-Application. The information contained in this Pre-Application is true and correct to the best of the applicant's knowledge.

____________________________ ____/____/____

Signature of Applicant/Owner (Month/Day/Year)

K. DIRECT INQUIRIES TO:

MF Bond Program:

Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402
Telephone: (402) 434-3900
Web Address: www.nifa.org

WAIVER WITH RESPECT TO
NEBRASKA AFFORDABLE HOUSING TAX CREDITS

The undersigned, on behalf of the applicant/developer/owner (“Applicant/Owner”) of the proposed development (“development”) identified in the Nebraska Investment Finance Authority (“NIFA”) 4% Low Income Housing Tax Credits/Nebraska Affordable Housing Tax Credits/Bonds Pre-Application (the “Pre-Application”) and below, hereby understands, agrees and acknowledges the following:

1. NIFA will make available a limited amount (for both 2022 and 2023, approximately $20 million) of Private Activity Bond Cap for the issuance of tax-exempt bonds in connection with requests for the allocation of 4% low-income housing tax credits (“4% LIHTC”) and accompanying Nebraska Affordable Housing Tax Credits (“AHTC”) for developments as further described in the NIFA Housing Credit Allocation Plan for 4% LIHTC and AHTC.

2. Recognizing that applicants, such as the Applicant/Owner, may desire to request an allocation of Private Activity Bond Cap in order to access the 4% LIHTC, even without an allocation of AHTC, NIFA will make allocations of Private Activity Bond Cap, as available, for developments, the owners of which will not receive an allocation of AHTC and will agree that a claim shall not be made to the AHTC.

Accordingly, in consideration of the foregoing and the submission of a Pre-Application, the Applicant/Owner, by execution below, waives all right title and interest in and to, and agrees not to claim, Nebraska AHTC in connection with the allocation of Private Activity Bond Cap and 4% LIHTC, if received, in connection with the development identified in the Pre-Application to which this Waiver applies.

____
Name of Applicant/Owner

By:____________________________

Title: ______________________________
Date: ______________

Development to Which this Waiver Applies:

Name: ______________________________
Location: ____________________________
Date of Pre-Application: ________________

NIFA
NEBRASKA INVESTMENT FINANCE AUTHORITY®

NEBRASKA
Good Life. Great Opportunity.
DEPT. OF ECONOMIC DEVELOPMENT

LOW-INCOME HOUSING TAX CREDITS

2022/2023 4% NIFA/NDED Application

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

For Informational Purposes Only – Must Submit an Online Application

A. INSTRUCTIONS AND CERTIFICATION

1. <u>INSTRUCTIONS:</u>

The undersigned applicant hereby makes application to the Nebraska Investment Finance Authority ("NIFA") for (i) a reservation of 4% federal low income housing tax credits ("LIHTC") and (ii) if indicated below on this Application, a reservation of the Affordable Housing Tax Credit ("AHTC"). The AHTC will <u>not</u> be automatically awarded with the 4% LITHC and must be specifically requested in the Pre-Application. A 4%LIHTC/Bond NIFA/NDED Application (the "Application") must be submitted to NIFA/NDED in the following manner:

(a) Applications are due via the online funding application system no later than 5:00 p.m. on the last day of the application round/cycle as described in the applicable NIFA Housing Credit Allocation Plan for 4% LIHTC and AHTC.

(b) Application fees are due in NIFA's office no later than 5:00 p.m. on the last day of the application round/cycle as described in the applicable Housing Credit Allocation Plan for 4% LIHTC and AHTC (see Appendix A thereto).

(c) An Application will <u>not</u> be reviewed, scored or considered by NIFA at any time if:

- (i) the developer, general partner/managing member or any affiliate thereof is delinquent on Nebraska LIHTC fees, AHTC fees, or Tax-Exempt Bond fees due and payable for other Nebraska LIHTC developments; or

- (ii) the general partner/managing member or any affiliate thereof currently has or has had items of noncompliance or violations of a Land Use Restriction Agreement/Tax-Exempt Bond Regulatory Agreement that have not been corrected within the applicable correction period on any other Nebraska LIHTC development; or

- (iii) the developer, general partner/managing member or any affiliate thereof is delinquent on any documentation or payments that are due and payable to NIFA, including but not limited to the following:
  - (a) Conditional Reservation Documentation/42(m) Letter
  - (b) Carryover Documentation
  - (c) 10% Test Documentation
  - (d) Cost Certification Documentation
  - (e) Asset Management Documentation
  - (f) TCAP Loan Repayment Amounts
  - (g) Any other documentation requested by NIFA

(d) Applications will be scored SOLELY on information provided in the online funding Application submitted for the applicable Allocation Round/Cycle deadline. An Application submitted for Threshold review <u>must</u> be resubmitted <u>in full</u> (whether or not changes have been made by the applicant subsequent to Threshold review) by the Final Full Application deadline in order to be considered for an allocation of LIHTC. (Any documentation or information submitted for a previous deadline will not be taken into consideration for the current deadline.)

Failure to submit the Application in the preceding manner will result in the Application being returned to the applicant without NIFA's and/or NDED's review. The Application must be filled out completely, with all questions and items completed. Inaccurate or incomplete information in the application may result in forfeiture of any LIHTC reserved or allocated.

The Application provides a joint application process for all applicants applying to NIFA for 4% LIHTC and AHTC and to NDED for, CDBG-DR program.

1. Sections marked with "DR" in the title refers to all CDBG-DR-specific elements included in the application.
2. Sections marked with "NON-DR" in the title refers to all elements included in the application that are not applicable to CDBG-DR.

INQUIRIES should be directed to:

LIHTC and AHTC Program:
LIHTC Allocation Manager
Nebraska Investment Finance Authority
1230 O Street, Suite 200
Lincoln, NE 68508-1402
Telephone: (402) 434-3900
Fax: (402) 434-3921
Web Address: www.nifa.org

CDBG-DR Program:
Christina Zink
Nebraska Department of Economic Development
301 Centennial Mall South, 4th Floor
Lincoln, NE 68509
Telephone: (402) 309-4536
Email: christina.zink@nebraska.gov
Web Address: www.opportunity.nebraska.gov

2. **APPLICATION REQUIREMENTS FOR CDBG-DR** *(to be verified by Nebraska Department of Economic Development)*

The following application requirements will be verified with data and information available to the Nebraska Department of Economic Development (NDED) and do not need to be specifically addressed in the LIHTC application.

1. Eligible applicants include community-based non-profit 501(c)(3), 501(c)(4), PHAs, for-profit developers, and units of Local Government.
2. Activities are eligible and comply with CDBG-DR Action Plan, located at: **https://opportunity.nebraska.gov/program/cdbg_dr/#action-plan**
3. Applicant and partners have addressed and cleared all compliance problems from past awards and responses have been accepted by NDED.
4. Applicant and partners are current with all NDED reporting requirements (semiannual status reports, closeout reports, audit reports, notification of annual audit reports, quarterly report assessment forms, etc.).
5. If invited by NDED, applicant and application preparer must attend Contract Review on the dates and locations determined by NDED and respond with satisfactory contract negotiation information in writing to the CDBG-DR LIHTC Set-aside by deadlines provided by NDED.
6. Please ensure that you do your utmost to project realistic cost schedules for your development. If the development is deemed not feasible after award, the funds will be returned to the LIHTC CDBG-DR funds set-aside.

3. **CERTIFICATION OF APPLICANT/OWNER** *(download a copy of Certification of Applicant/Owner from the Exhibit Examples at www.nifa.org)*

The undersigned, on behalf of the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC Program and the Nebraska Department of Revenue with respect to the AHTC Program and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC and the AHTC Program will be governed and controlled by the rules and regulations issued by the United States Treasury and Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this application or in the listed attachments and exhibits is in any way false, incorrect or incomplete, and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.

I (We) understand that any misrepresentations and/or fraudulent information contained within this Application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and the AHTC Program participation and notification of such to the Internal Revenue Service and Nebraska Department of Revenue.

I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC

Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC and AHTC or the use of the information concerning the LIHTC and AHTC Program.

I (We) hereby authorize any state LIHTC Allocating Agency to release to NIFA any and all information that such state LIHTC Allocating Agency has regarding development compliance, the curing of or failure to cure any development noncompliance, any formal or informal action taken by any state LIHTC Allocating Agency with respect to my/our participation in any low-income housing tax credit program and any other data that may be relevant to NIFA in its assessment of our development experience and compliance record.

I (We) acknowledge that copies of Applications submitted pursuant to the Qualified Allocation Plan ("QAP") (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for Applications at www.nifa.org.

By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to the release and publication of its Application and related information.

I (We) understand and agree that applicant shall, subsequent to submission of the original Application, notify NIFA in writing, within three (3) business days of becoming aware thereof, of any material adverse change or condition occurring in connection with the information submitted in the Application which (i) impairs the development of the project; (ii) would make the information contained in the Application no longer true and accurate; or (iii) adversely affects the scoring assigned, or to be assigned, to such Application. I (We) further understand that failure to notify NIFA may, in NIFA's sole discretion, result in the Application, allocation and/or Reservation to be revoked, modified, suspended, or rejected.

4. CERTIFICATION OF HOME/CDBG-DR/HTF APPLICANT *(if applying for HOME/CDBG-DR/HTF Funds and LIHTC) (download a copy of Certification of HOME/CDBG-DR/HTF Applicant from the Exhibit Examples at www.nifa.org)*

The undersigned certifies to the Nebraska Department of Economic Development:

He/she is duly authorized to so certify, and sign this application on behalf of the HOME/CDBG-DR/HTF applicant, under procedures prescribed by the governing rules/organizing documents applicable to governance of the applicant.

That the application contents, which include materials both preceding and following this certification, and all accompanying Exhibits, which Exhibits are incorporated herein by this reference, are true and correct to the best of my knowledge and belief.

That this certification applies to any and all certifications and assurances which may be internally contained within the body of the application (or internally contained within the incorporated Exhibits), as well as to the entirety of the application. Examples (but not an exhaustive listing) of such internally contained certifications and assurances include: the certification found at Exhibit 14 (entitled "Statement of Assurances and Certification for Local Governments"); and the certification found at Exhibit 16 (entitled "Applicant Certification Form for Non-Profits and Housing Authorities").

He/she commits the applicant to notifying the Department of Economic Development of any changes to the original application within 15 days of the change.

5. **IDENTIFICATION OF CONSULTANT** ***(if a consultant is paid a fee in connection with the making or filing of this application)***
Applicant is employing the services of the following consultant(s), identified below, who will assist the applicant and/or its joint venturer or partner with all or a part of this application. For purposes of this application, "consultant" shall include accountants, investment bankers, financial advisors, investors, syndicators, attorneys and any other advisor or consultant who is assisting the applicant in the completion and/or filing of this application. For each such consultant, provide the information below and include an executed "Statement and Certification of Consultant".

6. **STATEMENT AND CERTIFICATION OF CONSULTANT** *(if a consultant is utilized in the making or filing of this application)* ***(download a copy of Statement and Certification of Consultant from the Exhibit Examples at www.nifa.org)***
The undersigned, as consultant(s) to the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC and the Nebraska Department of Revenue with respect to the AHTC Program, and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC program will be governed and controlled by rules and regulations issued by the United States Treasury and the Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this Application or in the listed attachments and exhibits is in any way false, incorrect or incomplete; and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.
I (We) understand that any misrepresentations and/or fraudulent information contained within this Application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and AHTC Program participation and notification of such to the Internal Revenue Service and the Nebraska Department of Revenue. I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC or the use of the information concerning the LIHTC and AHTC Program.

B. DEVELOPMENT OVERVIEW (The following information must be completed online).

DEVELOPMENT NAME AND ADDRESS:

Development Name: _____
Address: _____ County: _____
City: _____ Legislative District: _____
Zip Code: _____ Congressional District: _____

*Please provide a one-page summary of the proposed development in **Exhibit 1**. Please identity aspects of the proposed development that are innovative or unique.*

CDBG-DR APPLICANT INFORMATION:

Name: _____ Contact Person: _____
Address: _____ Federal Tax I.D. Number: _____
City: _____ State: _____
Zip Code: _____ Email: _____
Telephone Number: _____ SAM #: _____

DUNS Number: _____
Type of Applicant: ☐ Unit of Local Government (excluding HTF) ☐ For-Profit Developers ☐ Local / Regional Housing Authority ☐ Non-Profit 501(c) (3) ☐ Non-Profit 501(c) (4)
The CDBG-DR "crosswalk" aka "NDED-NIFA Joint Application, CDBG-DR Requirements" is available in the project toolbox at:
https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction
Please complete and upload Exhibits 10-19 as applicable.
Type of Assistance: ☐ CDBG-DR (if available)

HUD-DEFINED MOST IMPACTED AND DISTRESSED (MID) AREA (DR-4420) [DR]:

Is the proposed development located in a HUD-defined MID area? ☐ Yes ☐ No

NOTE: HUD requires that 80% of CDBG-DR funds be allocated and spent in HUD-defined MID areas. The HUD-defined MID areas include Dodge, Douglas, and Sarpy counties.

County: _____ Census Tract Number: _____

For additional information refer to the Natural Disaster section of the Application located on page 33.

Opportunity Zone

Is the proposed development located in an Opportunity Zone? ☐ Yes ☐ No
An Opportunity Zone listing can be found at https://opportunity.nebraska.gov/wp-content/uploads/2018/04/nebraska_opportunity_zones_apr_9_2018.pdf.

County: _____ Census Tract Number: _____

BOND ISSUER:

Name: _____ Contact Person: _____

Address: _____

City: _____ State: _____

Zip Code: _____

Telephone Number: _____ Email: _____

If NIFA is not the issuer of the Tax-Exempt Bonds, please provide the Bond Intent Resolution from the Bond Issuer as ***Exhibit 217.***

BOND COUNSEL:

Name: _____ Contact Person: _____

Address: _____

City: _____ State: _____

Zip Code: _____

Telephone Number: _____ Email: _____

BOND TRUSTEE:

Name: _____ Contact Person: _____

Address: _____

City: _____ State: _____

Zip Code: _____

Telephone Number: _____ Email: _____

SOURCE OF FUNDS:

Will any portion of the project be financed directly or indirectly with Federal, State, or Local Government funding? ☐ Yes ☐ No

Please indicate the sources of funds and the amounts anticipated for this project.

☐ Tax-Exempt Bonds $_______

☐ Taxable Bonds $_______

☐ Tax Increment Financing $_______

☐ Grants $_______

☐ Other $_______

☐ Other $_______

BONDS:

☐ **TAX-EXEMPT BONDS**

Will the development receive tax-exempt bond financing for at least 50% of the aggregate basis of the building(s) and land includable in the Development? ☐ Yes ☐ No

Type of bond sale: ☐ Private Placement ☐ Public Sale

If a Public Sale is proposed, will the bonds be rated? ☐ Yes ☐ No

If “Yes” provide the following:

Rating: _____

Rating Agency: _____

Bond Underwriter: _____

Bond Trustee: _____

Bond Security:

Bond Insurance: ☐Yes ☐No
Project Mortgage: ☐Yes ☐No
Credit Enhancement: ☐Yes ☐No
If "Yes" provide the following:
What type? ______
By whom? ______
Other: ______

☐ **TAXABLE BONDS**

Type of bond sale: ☐Private Placement ☐Public Sale
If a Public Sale is proposed, will the bonds be rated? ☐Yes ☐No

If "Yes" provide the following:
Rating: ______
Rating Agency: ______
Investment Bank: ______
Bond Trustee: ______

Bond Security:
Bond Insurance: ☐Yes ☐No
Project Mortgage: ☐Yes ☐No
Credit Enhancement: ☐Yes ☐No
If "Yes" provide the following:
What type? ______
By whom? ______
Other: ______

☐ **LOANS**

Projected Loan Terms:

Principal Amount: $______
Interest Rate: ☐Fixed ☐Variable
Term of Loan: ______ Years
Amortization: ______ Level ______ Balloon

Loan Security:
Development Mortgage: ☐Yes ☐No
Assignment of Project Rents: ☐Yes ☐No
FHA Mortgage Insurance: ☐Yes ☐No
Personal Guarantees: ☐Yes ☐No
Loan Credit Enhancement: ☐Yes ☐No

LIHTC/AHTC APPLICANT INFORMATION:

Name: ______
Address: ______
City: ______
Zip Code: ______
Telephone Number: ______

Contact Person: ______
Federal Tax I.D. Number: ______
State: ______
Email: ______

OWNERSHIP INFORMATION:

Name: _____ Contact Person: _____

Address: _____

City: _____ State: _____

Zip Code: _____ Email: _____

Telephone Number: _____

Has Ownership Entity been formed? ☐Yes ☐No

Federal Tax ID Number: _____ (if entity is formed)

Identify the Persons or Entities who will be part of the Ownership Entity:

Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%
Name: _____	EIN #: _____	Telephone: _____	Ownership Interest: _____%

Has the applicant, or any affiliate of the applicant or ownership entity ever sold or transferred LIHTC and to a new ownership entity prior to placing the buildings in service or within a year thereafter? ☐Yes ☐No *If "Yes", provide the details of the transfer in **Exhibit 2**.*

TYPE OF LIHTC REQUESTED:

☐New Construction

☐Rehabilitation Only

☐Tax-Exempt Bond Financing Allocation

☐AHTC requested in the Pre-Application

☐Acquisition & Rehabilitation

☐New Construction/Acquisition & Rehabilitation

BOND MINIMUM SET-ASIDE ELECTION: (check one only)

☐ 20-50 Test	The development meets this requirement if 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median income ("AMI").
☐ 40-60 Test	The development meets this requirement if 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the AMI.

MINIMUM SET-ASIDE ELECTION: (check one only)

☐ 20-50 Test	The development meets this requirement if 20% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 50% or less of the area median income ("AMI").
☐ 40-60 Test	The development meets this requirement if 40% or more of the residential units in the development are both rent restricted and occupied by individuals whose income is 60% or less of the AMI.
☐Average Income Test	The development meets this requirement if 40% or more of the residential units in the development serve households earning as much as eighty percent (80%) of the AMI, as long as the average income/rent limit in the development is sixty percent (60%) or less of the AMI.

QUALIFIED CENSUS TRACT/DIFFICULT DEVELOPMENT AREA:

Is the proposed development located in a Qualified Census Tract (QCT) or Difficult Development Area (DDA)? ☐Yes ☐No **(2 points)**

Census Tract Number: _____ Difficult Development Area: _____

NOTE: The Basis Boost for QCT's or DDA's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

Developments in a QCT may be eligible for up to two (2) point if the development directly contributes to a Concerted Community Revitalization Plan (CCRP). Applicants must submit a letter (dated within one (1) year of the applicable final application deadline) from the highest governmental body stating that the development contributes to a CCRP, specifying the name of the plan and the name of the development (indicate the page number of the CCRP that pertains to the proposed development) along with a copy of the Plan as ***Exhibit 215****.*

CCRP must:

1. Be geographically specific (the proposed development must be within the identified CCRP's defined area).
2. Demonstrates the need for revitalization in the CCRP designated area.
3. Provide strategies for investment of, both public and private resources for infrastructure, amenities, and services in the area of the proposed development.
4. Have been approved within last ten (10) years.
5. Include identification of community partners, timelines, and goals.

The proposed development is part of a neighborhood redevelopment plan or leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation, i.e. a Choice Neighborhood program. **(1 point)**

Developments in a QCT that are part of a neighborhood redevelopment plan or Choice Neighborhood program may be eligible for up to one (1) additional point. Provide a copy of the neighborhood redevelopment plan or evidence of Choice Neighborhood program participation as Exhibit 216.

QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS BY COUNTY: Following are the Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42.					
Douglas	3.00	4.00	6.00	7.00	8.00
	11.00	12.00	16.00	19.00	20.00
	21.00	23.00	24.00	26.00	27.00
	27.00	29.00	31.00	32.00	33.00
	38.00	39.00	40.00	42.00	49.00
	50.00	51.00	52.00	53.00	54.00
	58.00	59.01	59.02	60.00	61.01
	61.02	63.01	63.02	63.03	65.06
	66.03	68.06	71.01	73.12	
Lancaster	3.00	4.00	5.00	7.00	8.00
	17.00	18.00	19.00	20.01	20.02
	21.00	27.01	31.03	33.01	
Adams	9661.00				
Buffalo	9695.00	9696.00			
Dakota	101.00				
Dodge	9644.00				
Gage	9651.00				
Jefferson	9638.00				
Madison	9607.00				
Scotts Bluff	9537.00				
Thurston	9401.00	9402.00			
DDA (ZIP Code)	68133				

DEVELOPMENT INFORMATION:

Has any party received from a previous year an allocation of LIHTC (either 9% or 4%) for the development?

☐Yes ☐No

If "Yes" provide the following:

Year of Allocation: ______ NIFA Number: ______ BIN(s): ______

Note: Developments that have received an allocation of LIHTC in a previous year are not eligible to apply for an allocation of LIHTC (either 9% or 4%) for that development until 20 years after the date the last building was placed in service.

Is a Basis Boost requested for the development? ☐Yes ☐No

Developments located in a QCT or DDA may receive up to a 30% Basis Boost.

If "Yes", please check the appropriate box:

☐ Up to 30% QCT/DDA

NOTE: The Basis Boost for QCT's and DDA's will be included for purposes of calculating LIHTC per occupant in the NIFA scored criteria.

If the development includes acquisition and rehabilitation, identify the date of the most recent sale or transfer of the building(s). Date: ______ Seller: ______

If the development includes acquisition and rehabilitation, were the building(s) suitable for occupancy at the time of the most recent sale or transfer?

☐Yes ☐No

If any building in the development is an existing single-family detached residence, was it used by the previous owner(s) as their principal residence during the past 10 years?

☐Yes ☐No

Have any of the buildings in the development been condemned or are uninhabitable?

☐Yes ☐No

Have any of the buildings in the development been acquired through foreclosure?

☐Yes ☐No

Will the development include any relocation of any tenants?

☐Yes ☐No

*If "Yes," provide a detailed description of the relocation assistance in **Exhibit 4**.*

SITE INFORMATION:

_____ Total Number of Buildings in the Development

_____ Number of Stories in Tallest Building

Will any of the buildings include an elevator? ☐Yes ☐No

If "Yes", please list the number of building(s) with an elevator: ____

Will the Development have manager/maintenance unit(s)? ☐Yes ☐No

_____ Total Number of Units in the Development (LIHTC, HOME, Market, Other, etc.)

_____ Total Square Footage of the Development

_____ Square Footage of Area for Commercial Space

_____ % Percentage of Floor Area for Commercial Space

_____ Number of Employee/Maintenance Unit(s)

_____ Square Footage of Employee/Maintenance Unit(s)

_____ Other Common Space Square Footage

_____ Total Net Rentable Square Footage of all Rental Units in the Development

_____ Total Number of LIHTC Units in the Development (excluding employee/maintenance unit(s))

_____ % Percentage of LIHTC Units in the Development

_____ Total Square Footage for LIHTC Units

_____ % Percentage of Floor Area for LIHTC Units

_____ Total Number of Market Rate Units

_____ Square Footage of Market Rate Units

_____ Total Site Area (Land) to be used for the Development. Please Specify: ☐Acres ☐Sq. Feet

Development Structure: (check all that apply and choose at least one):

☐Multifamily (more than 4 units per building) ☐Duplex

☐Single-family ☐Single Room Occupancy (SRO)

☐Other: _____

Does the Development target any of the following:

☐Special Needs - Please identify: _____ ☐Veterans Housing ☐Seniors

☐Other: _____ ☐Disaster Declaration Response

☐Housing needs outlined in the CDBG-DR Action Plan

SITE CONTROL:

Site control is in the form of (check only one)

☐ Contract/Option to Purchase in the name of the owner, its general partner or an affiliated entity

☐ Executed Disposition and Development Agreement with a Public Agency

☐ Signed long term land lease (with a minimum of 50 years)

☐ Recorded Warranty Deed in the name of the Owner, its general partner, or an affiliated entity

*Include evidence of site control in **Exhibit 103.***

Description of Exhibits can be found on page 33.

ZONING:
Please indicate the development's status in relation to local zoning requirements (check only one)

☐ Development meets all local zoning requirements or building permits have been issued.
☐ Development is not subject to municipal zoning ordinances.
☐ Development does not meet local zoning requirements and requires a zoning change or conditional use permit.

*Include zoning letter in **Exhibit 105**. **Description of Exhibits can be found on page 33.***

OPERATING ASSISTANCE INFORMATION:
Do any of the units in the development receive or will receive rental assistance? ☐Yes ☐No
*If Yes, check the type of Rental Assistance and submit **Exhibit 5**:*

☐VASH Vouchers ☐Section 8 Project Based Assistance
☐RD 515 Assistance ☐State Assistance
☐McKinney Act Funding

Number of years the units will receive assistance: ______
Number of units receiving assistance: ______

UTILITY ALLOWANCE CALCULATIONS:

Type	**Gas / Electric**	**Utility Paid By**	**Allowance Amount** 0-Bdr.	1-Bdr.	2-Bdr.	3-Bdr.	4-Bdr.
Heating	☐Gas	☐Owner	_____	_____	_____	_____	_____
	☐Electric	☐Tenant					
Air Conditioning	☐Electric	☐Owner	_____	_____	_____	_____	_____
		☐Tenant					
Lighting	☐Electric	☐Owner	_____	_____	_____	_____	_____
		☐Tenant					
Cooking	☐Gas	☐Owner	_____	_____	_____	_____	_____
	☐Electric	☐Tenant					
Hot Water	☐Gas	☐Owner	_____	_____	_____	_____	_____
	☐Electric	☐Tenant					
Sewer		☐Owner	_____	_____	_____	_____	_____
		☐Tenant					
Water		☐Owner	_____	_____	_____	_____	_____
		☐Tenant					
Trash		☐Owner	_____	_____	_____	_____	_____
		☐Tenant					
Total Utility Allowance:			_____	_____	_____	_____	_____
Total Utility Allowance Paid by the Tenant:			_____	_____	_____	_____	_____

Source of Utility Data:
☐HUD ☐Local Housing Authority (Name: ____________________)
☐USDA – Rural Development ☐Utility Company Estimate (Name: ____________________)

*(Please provide a copy of the documentation in **Exhibit 6**. Circle the appropriate utility information. Documentation must be effective within one year of the applicable final deadline.)*

CONSTRUCTION SOURCES:

List all Preliminary and Firm Financing Commitments, including any grants, owner equity contributions, or deferred fees. If applying for HOME/CDBG-DR/HTF funds, please indicate if the funds will be used during construction. Also include any source and amount of financing for any commercial space in the development.

Lender or Source of Funds	Amount of Funds	Type of Financing	Financing Source*	Name & Telephone Number of Contact Person
______	______	______	______	______
______	______	______	______	______
______	______	______	______	______
Total Construction Financing:	______	** e.g. conventional loan, federal grant, deferred loan, etc.*		

PERMANENT SOURCES:

List all Preliminary and Firm Financing Commitments, including any grants, owner equity contributions, or deferred fees. Also include any source and amount of financing for any commercial space in the development.

Lender Name	Lender Contact & Telephone	Loan Amount	Type of Financing	Financing Source	Interest Rate	Amortization Period (Months)	Loan Term (Years)	Annual Debt Service
______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______	______
Total Permanent Financing:		______	Total Annual Debt Service:					______

SYNDICATION INFORMATION:

☐ LIHTC

Anticipated Net Equity Factor: ______

Amount of Estimated Proceeds: ______

Name of Syndicator: ______

Address: ______

City: ______

Zip Code: ______

Telephone Number: ______

☐ Historic Rehabilitation Tax Credits

Anticipated Net Equity Factor: ______

Amount of Estimated Proceeds: ______

State: ______

Contact Person: ______

Email: ______

SYNDICATION INFORMATION FOR NEBRASKA AFFORDABLE HOUSING TAX CREDITS:

☐ AHTC

Anticipated Net Equity Factor: ______

Amount of Estimated Proceeds: ______

Name of Syndicator: ______

Address: ______

City: ______ State: ______ Zip Code: ______

Contact Person: ______ Email: ______

Telephone Number: ______

DEVELOPMENT TEAM INFORMATION:

Applicant/Sponsor:	_____	Phone Number: _____	Identity of Interest: _____
Developer:	_____	Phone Number: _____	Identity of Interest: _____
General Partner:	_____	Phone Number: _____	Identity of Interest: _____
Contractor:	_____	Phone Number: _____	Identity of Interest: _____
Management Company:	_____	Phone Number: _____	Identity of Interest: _____
Consultant:	_____	Phone Number: _____	Identity of Interest: _____
Architect:	_____	Phone Number: _____	Identity of Interest: _____
Development Attorney:	_____	Phone Number: _____	Identity of Interest: _____
Accountant:	_____	Phone Number: _____	Identity of Interest: _____
Federal Syndication Firm:	_____	Phone Number: _____	Identity of Interest: _____
State Syndication Firm:	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____
_____	_____	Phone Number: _____	Identity of Interest: _____

List any direct or indirect financial or other interests a member of the Development Team may have with another member of the Development Team. List “none” if no identities of interest exist. _____

**Note: NIFA will notify the applicant at the time of threshold review if the management company listed above has any outstanding uncorrected non-compliance items as of 30 days prior to the applicable threshold application deadline.*

NOTIFICATION OF PUBLIC OFFICIAL:

Name of Political Jurisdiction: _____

Name of Chief Executive Officer: _____

Title of Chief Executive Officer: _____

Address: _____

City: _____ Zip Code: _____

Phone Number: _____ Fax Number: _____

C. EXHIBIT CHECKLIST

The following is a checklist of materials for submission with the Application. Please upload each Exhibit in the online funding application.

Applicants may also self-score all pertinent items and enter the appropriate number of points earned for each requirement. **NOTE: Applications must meet all Threshold Criteria Items. Applications that do not submit all applicable Threshold Exhibits will not be considered for an allocation of LIHTC and AHTC.** All information in the Exhibits must meet or exceed the provided exhibit descriptions and be dated within one year of the applicable final application deadline. For a detailed description of the Threshold Exhibits, please refer to page 33.

Threshold Exhibits	Description
☐ EXHIBIT 1	Provide a one (1) page summary of the proposed development
☐ EXHIBIT 2	Details of any sale or transfer of LIHTC and AHTC (if applicable)
☐ EXHIBIT 4	Relocation assistance plan (if applicable)
☐ EXHIBIT 5	Evidence of rental assistance (if applicable)
☐ EXHIBIT 6	Current utility allowance documentation
☐ EXHIBIT 7	Pictures of the site/structure taken from each direction. **(North, South, East, & West)**
☐ EXHIBIT 8	Location Map (See Exhibit Examples for more information)
	Exhibits 10-20 are required only if applying for HOME, CDBG-DR, or HTF
☐ EXHIBIT 10	Site Visit Review and Approval **(HOME/HTF/CDBG-DR)** The CDBG-DR "crosswalk" aka "DED-NIFA Joint Application, CDBG-DR Requirements" is available in the project toolbox at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction
☐ EXHIBIT 11	Environmental review record and process and Determination of Level of Review **(HOME/CDBG-DR) HTF refer to:** https://files.hudexchange.info/resources/documents/Notice-CPD-16-14-Requirements-for-HTF-Environmental-Provisions.pdf
☐ EXHIBIT 12	Notice of Public Hearing or Public Meeting **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 13	Authorizing Resolution for local governments **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 14	Statement of assurances and certifications for local governments **(HOME/CDBG-DR)**
☐ EXHIBIT 15	Residential anti-displacement and relocation assistance plan **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 16	Applicant certification for non-profits and housing authorities **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 17	Authorizing Resolution for non-profits and housing authorities **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 18	Certification of rental project federal assistance **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 19	System for Award Management (SAM) **(HOME/CDBG-DR/HTF Funds)**
☐ EXHIBIT 100	Architect Certification, Required Design and Required Green Standards, and Architectural Plans
☐ EXHIBIT 101	Fair Housing Act and Section 504 – Design
☐ EXHIBIT 102	Affirmative Marketing Plan
☐ EXHIBIT 103	Site Control
☐ EXHIBIT 104	Intentionally omitted
☐ EXHIBIT 105	Zoning
☐ EXHIBIT 106	Utilities
☐ EXHIBIT 107	Subsidies/Public Funds
☐ EXHIBIT 108	Investor Interest/Commitment Form
☐ EXHIBIT 109	Construction/Interim Financing Form
☐ EXHIBIT 110	Permanent Financing Form
☐ EXHIBIT 111	Development Worksheets **(See Exhibit Examples)**
☐ EXHIBIT 112	Market Study
☐ EXHIBIT 113	Pre-notification of Local Jurisdiction
☐ EXHIBIT 114	Capital Needs Assessment **(Rehabilitations and Adaptive Reuse only)**
☐ EXHIBIT 115	Ten Year Rule/Appraisal **(Acquisition credits only)**
☐ EXHIBIT 116	AHTC Investor Interest/Commitment Form (if applicable)

D. OTHER SELECTION CRITERIA – 4% LIHTC/BOND (AHTC if applicable) APPLICATIONS MUST SCORE A MINIMUM OF <u>30 POINTS</u> IN THIS SECTION

<u>COMPLIANCE & EXTENDED USE PERIOD/WAIVER OF QUALIFIED CONTRACT:</u>

Please check the following compliance period and extended use period that will be applicable to this development. (The minimum term of the low-income occupancy commitment is 30 years.) Points will be awarded when the owner elects to extend the compliance period for additional years. Note: In any event, as will be provided in the LURA, the right with respect to requesting a Qualified Contract will terminate upon the sale, transfer, or disposal of the development by the initial owner.

☐ 15-year Compliance Period + 15-year Extended Use Period = 30 total **(0 points)**
Development owners may be eligible to request a Qualified Contract at any time after year fourteen (14).

☐ 15-year Compliance Period + 25-year Extended Use Period = 40 total **(1 point)**
Development owners may be eligible to request a Qualified Contract at any time after year twenty-four (24).

☐ 15-year Compliance Period + 30-year Extended Use Period = 45 total **(2 points)**
Development owners may be eligible to request a Qualified Contract at any time after year twenty-nine (29).

CRANE developments must elect the 15-year Compliance Period and 30-year Extended Use Period.
CROWN developments must elect the 15-year Compliance Period and 15-year Extended Use Period.
Please note if applying for HOME/HTF the affordability period of each program may vary. CDBG-DR affordability period for rental units is a 15-year period for multi-family rental projects with eight or more units, and a 20-year period for multi-family rental projects with five or more units.

WAIVER OF QUALIFIED CONTRACT (may be chosen in addition to the election above):

☐ Development owner will waive the right to request a Qualified Contract. **(3 points)**

Note: In any event, as will be provided in the LURA, the right with respect to requesting a Qualified Contract will terminate upon the sale, transfer, or disposal of the development by the initial owner.
The commitment to extend the Extended Use Period and/or waive the Qualified Contract request will be reflected in the LURA.

<u>RIGHT OF FIRST REFUSAL:</u>

<u>The Right of First Refusal must be granted to a governmental entity (such as a local housing authority) or a non-profit entity with an organizational purpose that includes the development, ownership or operation of affordable housing for low income persons and families. Such non-profit entity must have a track record, acceptable to NIFA, of carrying out such purpose.</u>

Will the owner offer a right of first refusal to a non-profit entity described under IRC Section 501(c)(3) or 501(c)(4), or to a governmental entity? ☐Yes ☐No

If *Yes*, please list to whom the owner intends to offer the right of first refusal: _______________ (Please list the name and contact information of the non-profit or governmental entity.) If a non-profit, attach as Exhibit 200 the Articles of Incorporation and By-Laws or organizational documentation evidencing the 501(c)(3) or (c)(4) status and information regarding the purpose and description of the activities of the non-profit entity relating to affordable housing. In the event the non-profit entity designated by the Applicant ceases to exist, any alternative non-profit entity proposed by the Owner must, at a minimum, meet the same requirements set forth above and must be acceptable to, and approved in writing by, NIFA.

Code Section 42 (i)(7) references a formula for determining this purchase price, equal to outstanding debt remaining on the development (excluding any debt added in the five years prior to the sale) plus federal, state, and local taxes due as a result of the sale.
The commitment of the Right of First Refusal will be reflected in the LURA. **(2 points)**

<u>PRESERVATION:</u>

Is the development a federally assisted building in danger of having the mortgage assigned to HUD or RD, or in danger of creating a claim on a federal mortgage insurance fund? ☐Yes ☐No **(2 points)**

*Attach a letter from the institution to which the development is in danger of being assigned to as **Exhibit 202**, dated within one (1) year of the applicable final application deadline.*

Does the development involve preservation of existing affordable housing with an existing project-based rental assistance agreement (i.e. USDA-RD or HUD)? ☐Yes ☐No **(3 points)**

Attach a copy of the current project-based rental assistance agreement as Exhibit 202.

Does the development meet the Secretary of the Interior's Standards for Rehabilitation as interpreted by the National Park Service and involves the use of federal historic rehabilitation tax credits (For additional information, visit http://nps.gov)? ☐Yes ☐No **(2 points)**

Attach a copy of the fully executed Historic Preservation Certification Application Part 1 as Exhibit 202.

SENIOR DEVELOPMENT:

Will the development be reserved for elderly tenants? ☐Yes ☐No **(2 points)**

If *Yes*, ☐Age 55+ ☐Age 62+

The applicant must certify that the following requirements will be met by checking the following:

☐ Units will meet the minimum square footage of 650 square feet for a one-bedroom unit and 800 square feet for a two-bedroom unit (senior housing may only consist of one- or two-bedroom units). *NOTE: Developments proposing the acquisition and rehabilitation of an existing senior development may request a waiver of the minimum square footage requirements.

☐ The development will include handrails along steps and common areas, grab bars in bathrooms, routes that allow for barrier-free access, lever-type doorknobs, single-lever faucets and elevators for developments with more than two stories.

☐ The development is located on a suitable site that is within reasonable walking distance of basic services or has adequate access to public transportation.

☐ The units will be restricted to seniors who qualify for an exception of exemption under the Fair Housing Act.

Note: The Fair Housing Act prohibits discrimination against families with children. However, it exempts from this prohibition certain types of "housing for older persons". The exemption applies to "62 or over developments" and "55 or over developments," each of which must meet particular standards. The former requires that all units in a development be restricted to tenants who are at least 62 years of age. The latter requires that at least 80% of the units in a development have at least one resident who is at least 55 years of age and that the development have "policies and procedures" which make it clear that the development is for senior tenants. The design will be consistent with allowing seniors to age in place (e.g. one story, no stairs, etc.).

If a waiver is requested for minimum square footage, attach a copy of the waiver as ***Exhibit 203****, dated within one (1) year of the applicable final application deadline.*

FAMILY DEVELOPMENT:

Will the development include units that target low-income families with children, with at least 10% of the LIHTC units being four-bedroom units or larger? ☐Yes ☐No

Number of units four-bedrooms and larger: ______ **(1 point)**

To receive the points in this category, each of the targeted units must have at least a net of 1,500 square feet of living space for four-bedroom units (with a minimum of one and three-quarters bathrooms) or 1,600 square feet of living space for five-bedroom units (with a minimum of two and a half bathrooms).

Applicants for developments receiving points in this category may not receive points in the Senior Development category.

MIXED INCOME DEVELOPMENT:

Will the development include at least 10% of the units for market rate tenants? ☐Yes ☐No

Please note lots must be contiguous for mixed income developments.

Check the appropriate box: ☐At least 10% of the units are market rate **(1 point)**

☐At least 15% of the units are market rate **(2 points)**

☐At least 20% of the units are market rate **(3 points)**

DEVELOPMENT OF HOUSING IN GREATER NEBRASKA:

Within the last twenty-four (24) months, the Applicant/Developer has materially participated in the development of owner-occupied housing or rental housing (in each case, which housing is designed to be affordable for occupancy by persons and families) located in a community with a total population of 15,000 or less. To obtain the points in this category, the Developer must have provided at least 10 total units. The units can be located in more than one community as long as each community's population is 15,000 or less and the combined total number of units is at least 10. **(2 points)**

☐Yes ☐No

*Attach as **Exhibit 204**, dated within one (1) year of the applicable final application deadline, a description detailing the completed development, community, population and the applicant/developers material participation in the development.*

ECONOMIC DEVELOPMENT CERTIFIED COMMUNITY/ENTITLEMENT COMMUNITY/ LEADERSHIP COMMUNITY:

Is the development located in an Economic Development Certified Community/Leadership Community as designated by the Nebraska Department of Economic Development or in a CDBG entitlement community? **(2 points)**

☐Yes ☐No

PHA REFERRAL AGREEMENT:

The development owner has entered into an agreement with the local Public Housing Authority (PHA) to consider households from the PHA waiting list as potential tenants: ☐Yes ☐No **(1 point)**

*Attach a copy of the agreement as **Exhibit 205**, dated within one (1) year of the applicable final application deadline.*

Note: If the community does not have a PHA, the owner may utilize the nearest PHA or the office responsible for administering the Section 8 program.

DEVELOPER / OWNER FINANCIAL SUPPORT:

A partner/member of the development agrees to defer payment of a fee payable by the development or a partner/member agrees to make a capital contribution or personal loan to the development. Aggregate of deferred fees and/or capital contribution or personal loan is 25% or more of the total of the developer fee and overhead.

☐Yes ☐No **(2 points)**

Note: This financial support must be in addition to any proceeds of the syndication of the LIHTC and AHTC, and/or third-party loans. This commitment of financial support must be part of the sources and uses of funds at all review levels to receive points in this category.

TRACK RECORD OF APPLICANT AND/OR OWNER:

(1 point)

Complete one Certification of Experience-Applicant and Owner (developer, owner, general partner, managing member) and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska), in which the applicant and/or owner, has at any time had a role in a LIHTC development. Copies of emails sent to each State Allocating Agency and the corresponding Authorization of Release of Information must be uploaded as **Exhibit 206**.

Applicant and/or Owner (as defined in Exhibit 206) with unfavorable prior performance identified in exhibit 206 and as determined solely in NIFA's/NDED's opinion may not qualify for points in this category.

Any outstanding noncompliance issues that have a response due date prior to the final application deadline must be submitted to NIFA at least ten (10) business days before the final application deadline.

Implementation planned for 2024/2025: Applicant and/or Owner (as defined in Exhibit 206) has not requested an increase of LIHTC for a previously awarded development within the past 12 months. Applicants who have not received an award in the last 12 months are not eligible for this additional point.

MANAGEMENT QUALIFICATIONS AND EXPERIENCE:

Complete one Certification of Experience-Property Management Company and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska), in which the Property Management Company, has at any time managed a LIHTC development. Copies of emails sent to each State Allocating Agency and the corresponding Authorization of Release of Information must be uploaded as **Exhibit 207**. **(1 point)**

Upload a copy of the management company's attendance at both days of the **2021 or 2022** NIFA-sponsored annual LIHTC Compliance Training as **Exhibit 208**. **(2 points)**

Provide documentation of a Housing Credit Certified Professional (HCCP) designation (or equivalent) for staff of the management company as Exhibit 208. **(1 point)**

Any outstanding noncompliance issues that have a response due date thirty (30) days prior to the applicable threshold application deadline must be submitted to NIFA at least ten (10) business days prior to the applicable final application deadline.
NOTE: Management entities that have outstanding uncorrected noncompliance in the past three (3) calendar years or violations of a LURA that have not been corrected within the applicable correction period as indicated in Exhibit 206 will not be eligible for the point in this category. Management entities will be evaluated based on the date they first started the management of the development. Any change in management company prior to the development placing in-service must be approved by NIFA and not result in a change of points for this category.

DESIGN STANDARDS, GREEN STANDARDS, AND AMENITIES:
Please check the following design standards, green standards, and amenities that apply to the proposed development.

Upload as Exhibit 209 (Architect Certification for Design Standards, Green Standards and Amenities) a signed architect certification and the landscape plan from the Architect (dated within one year of the final application deadline) that certifies each election below:

DESIGN STANDARDS:
A maximum of 7 points are available in this category.

☐ Buildings will have solid brick, brick/stone siding, or natural stone, exterior finish material in excess of 25% of the front street visible exterior elevation. **(2 points)**
Must be visible and labeled in the Architectural Plans provided in Exhibit 100.

☐ Development will have landscaping.
Include a landscape plan detailing the number of plants and trees, as well as their proposed location and indicate whether the development's lawn will be sodded or seeded. **(2 points)**

☐ 20% or more of the units will meet the "visitability" design standards as defined by the Nebraska Assistive Technology Partnership (For additional information, visit https://atp.nebraska.gov). **(2 points)**

☐ Buildings will include exterior additions, such as pre-finished shutters, decorative exterior finishes, patio/porch fencing or additional decorative trim (certification must list specific exterior additions). **(1 point)**

Must be visible and labeled in the Architectural Plans provided in Exhibit 100.

Note: Failure to fulfill the commitment to provide any of the above design standards will result in the revocation of LIHTC and AHTC.

GREEN STANDARDS (INCLUDED IN EXHIBIT 209):
A maximum of 6 points are available in this category.

☐ Development will include a geothermal (ground source), closed loop heat pump system or active solar that will generate at least 25% of the total energy load for each unit. **(3 points)**

☐ Installation of internet connected smart thermostat for every HVAC system. (Can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit). **(2 points)**

☐ All mechanical equipment installed will be Energy Star® rated or better. **(2 points)**

☐ All exterior windows and doors will have an average R-value of 3.75 (.267 U Factor). **(1 point)**

☐ All exterior lighting will be photocell or timer controlled. **(1 point)**

☐ All carpet will include recycled-content carpet pad and carpet. **(1 point)**

☐ All interior paints and finishes will contain less than 250 grams/liter of VOCs. **(1 point)**

☐ Development will utilize water conservation techniques, such as water-efficient appliances and fixtures, low water landscaping and irrigation, and gray water. **(1 point)**

☐ Builder will follow a written waste reduction, recycle, and reuse plan. **(1 point)**

☐ Development will utilize passive solar building design. (Examples include, but are not limited to: building orientation, earth coupling, thermal mass, window sizing and placement, overhangs or landscaping for shading, sky lights, double-glazed glass in windows, or thermal insulation.) **Please include a description of the design elements in the architect's certification.** **(1 point)**

☐ Development will meet or exceed the requirements of the CDBG-DR Green Standards. The CDBG-DR Eligibility Requirements are available at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction **(6 points)**

Note: Failure to fulfill the commitment to provide any of the above green standards will result in the revocation of LIHTC and AHTC.

AMENITIES (INCLUDED IN EXHIBIT 209):
A maximum of 8 points are available in this category.
Amenities marked with an * MUST be visible and labeled in the Architectural Plans provided in Exhibit 100**.**

Additional Use Spaces (select as relevant)

☐ *On-site furnished community room with a minimum of 600 square feet (NOTE: Community room must be used exclusively by the tenants or for meetings/activities attended by tenant(s)) **(2 points)**

- ☐ *Garage for each unit at no cost to the tenant **(2 points)**
- ☐ *Storage area for each unit that is an enclosed, single, and secure space (Storage area must meet the following dimensions: 6w x 6d x 8h = 288 cubic feet. Garages and closets in bedrooms do not qualify as "storage areas".) **(1 point)**
- ☐ *Built in designated work or school space provided in each unit (must be at least 4 feet x 4 feet) **(1 point)**
- ☐ *Storm shelter for all units in the development (If selecting to provide a storm shelter that also will serve as a bathroom or bedroom closet, the Architect must certify that such space qualifies as a storm shelter. If such space qualifies as a storm shelter, the square footage can be included in the residential living square footage of the unit.) **(2 points)**

<u>Clothes Washing (select only one)</u>

- ☐ *Washer and dryer installed and maintained in each unit **(3 points)**
- ☐ *Washer and dryer hook-ups in each unit (n/a if points awarded for installed in each unit) **(1 point)**
- ☐ *Community laundry room (n/a if points awarded for installed in each unit) **(1 point)**

<u>Outdoor Health and Wellness (select as relevant)</u>

- ☐ *Designated exterior playground area or exercise equipment with sufficient equipment for usage by tenants in all units (a basketball hoop can qualify; however, it must be located in a dedicated space) OR **(2 points)**
- ☐ *Individual playground equipment for each unit in CROWN developments or scattered site developments **(2 points)**
- ☐ * Produce garden or individual garden plots, including a functional equivalent such as a vertical garden with a dedicated water source that is paid for by the development owner, within the development footprint **(1 point)**

<u>Productivity and Safety (select as relevant)</u>

- ☐ Each unit will be equipped with a medical alert / emergency response system at no cost to the tenant **(1 point)**
- ☐ Broadband/high-speed internet access and owner paid service for each unit **(2 points)**
- ☐ Fiber internet access and owner paid service for each unit **(3 points)**

PROJECT-BASED RENTAL ASSISTANCE:

Name of the Housing Authority that has committed to providing new project-based rental assistance including VASH or Rental Assistance Demonstration (RAD) vouchers:_____
Number of units receiving project-based rental assistance: _____
Length of commitment for project-based rental assistance (in years): _____ **(2 points)**

Attach a letter of commitment from the Housing Authority detailing the number of units that will receive project-based rental assistance & the length of the commitment for the project-based rental assistance as ***Exhibit 210****, dated within one (1) year of the applicable final application deadline.*

NOTE: In order to receive points in this category, the project-based rental assistance commitment from the Housing Authority MUST be for at least 25% or more of the total units in the development and the length of the commitment MUST be for a minimum of 15 years. The points in this section are not available to developments with existing Project-Based Rental Assistance.

SUPPORTIVE SERVICES:

A maximum of four (4) points are available in this category and all services must be paid for by the Owner. NIFA encourages the use of available programs and resources to provide Tenants with as many Supportive Services as possible. If a selected Supportive Service, paid for by Owner, becomes available to Tenants at no cost to Owner, NIFA will require the Owner to update Supportive Services offered, which would include Owner agreeing to 1)) select another NIFA-approved Supportive Service with the same point value, as agreed with NIFA ; 2) assist Tenants in enrolling in the non-Owner paid program at no cost to Tenant, ongoing or otherwise; and 3) assure the continued availability of the initially selected Supportive Service to Tenants.

At least one (1) service must be provided in partnership with a community based or regional service provider. In addition, at least one of the selected services must have a point value of at least two points.

Developments may provide services at a central location if transportation is provided at no cost to the tenant and the transportation plan is detailed in the supportive service agreement.

Due to the nature of CRANE projects, all CRANE applications must select services equal to the maximum points available in this category. Also, the applicant must provide a supportive service plan focused on services for the population being served. It is expected that CRANE developments will provide more services than indicated below and the supportive services plan should provide the details of those additional services.

Please check the following supportive services that apply to the proposed development.
Attach a Supportive Service plan and commitment letters from the appropriate supportive service providers as ***Exhibit 211*** *dated within one (1) year of the applicable final application deadline.*

Health

☐ On-going Medical Alert/Emergency Response System (can only be selected in conjunction with equipping the units under the amenities section) **(2 points)**
☐ Weekly Exercise Classes **(3 points)**
☐ Monthly Foot Care Clinics **(2 points)**
☐ Monthly Onsite Mental Health Services **(3 points)**
☐ Quarterly Onsite Medical, Dental or Vision Testing **(2 points)**
☐ Quarterly Onsite Therapy Animal Visits **(1 point)**

Finance

☐ Tenant Down Payment Savings Plan (CROWN projects not eligible) **(2 points)**
☐ Tenant Savings Plan (CROWN projects not eligible) **(1 point)**
☐ Owner Paid Renter's Insurance for Tenant (yearly). **(3 points)**

Education, Counseling or Training

☐ Weekly Tutoring Services for Students **(3 points)**
☐ Weekly After-School Enrichment Program **(3 points)**
☐ Monthly Onsite Job Training **(2 points)**
☐ Monthly Nutrition Education Classes **(2 points)**
☐ Quarterly Financial Management Classes **(1 point)**
☐ Quarterly Parenting Classes **(2 points)**
☐ Quarterly State and Federal Benefits Counseling **(1 point)**
☐ Quarterly Financial Literacy Classes for Youth **(2 points)**
☐ Annual RentWise Education **(1 point)**

*Attach a copy of the certificate of the person authorized to provide the RentWise Education as **Exhibit 211 that is dated within three (3) years**. If a certificate is older than three (3) years then a written confirmation from Nebraska Housing Developers Association must be submitted.*

Community and Care

☐ Onsite Food Pantry **(2 points)**
☐ On-going Recycling Services. **(2 points)**
☐ Licensed Childcare with Enrollment Fee (for each child paid for by the development) **(3 points)**
☐ Monthly Onsite Beautician Services **(2 points)**
☐ Monthly Onsite Congregate Meals (served to the tenants) **(1 point)**
☐ Monthly Onsite, Organized Tenant Activities (such as movie nights or potlucks) **(1 point)**
☐ Semi-Annual Clean-up Events **(1 point)**
☐ Annual Transportation (for the Tenant at least 12 round trips per year). **(2 points)**
☐ Annual Deep Cleaning of the Unit (must describe in service agreement) **(2 points)**
☐ Other Services Offered Annually (subject to NIFA's approval) Please list _____ **(1 point)**

Note: The "other" category for supportive service cannot be listed under any other exhibit and receive dual points in two categories. The supportive services must be available to all tenants residing in the development and not targeted to a certain group.

LEVERAGE AND COLLABORATION:

Applicants who demonstrate efforts to collaborate and leverage the housing credit and NDED funding sources will be eligible for up to 4 additional points. Signed, firm commitments from local government, private partners, non-profit and charitable organizations, excluding entities with an identity of interest (i.e. contractors, accountants, architects, consultants, engineers, development partner, syndicator, etc.) will be calculated in relation to total development costs.

Percent	Score
5-9.99%	1 point
10-14.99%	2 points
15-19.99%	3 points
20% and above	4 points

Eligible Resources	Non-Eligible Resources
Capital Contributions (including those from development partners)	NIFA & NDED funding sources (including HOME/CDBG-DR/HTF/NAHTF)
	Deferred fees or loans
Community Contributions (including City HOME/CDBG, TIF, LB840, etc.)	Conventional Loans
Land (not from a related party and must provide a third-party appraisal)	Seller Financing Note
	Donated Services

*Attach as **Exhibit 212**, provide commitment letters, appraisal of land from third-party, and any additional supporting documentation dated within one (1) year of the final application due date.*

AREAS OF HIGH OPPORTUNITY:

NIFA will use data from Diversitydatakids.org to identify areas of high opportunity in three indexes, including 1). Education, 2). Health and Environment, and 3). Social and Economic. Data is available for each census tract with a rating of very high opportunity to very low opportunity in each index. Points will be assigned to each applicant for the respective ratings as outlined in the following table for the categories listed below:

Rating	Score
Very Low	0 points
Low	0 points
Moderate	.5 point
High	.75 point
Very High	1 point

If a proposed development obtains a Very High rating in all three indexes, Applicant will receive an additional 1 point.

NIFA will score each index as compared to the State based on the most recent ratings as published above for the census tract of the proposed development:

Education: ______

Health and Environment: ______

Social and Economic: ______

Index ratings can be found at:
https://www.diversitydatakids.org/maps/#/explorer/0/15/10,15//xe/s/1.0.14/41.136/-98.729/7.39/

E. OTHER SELECTION CRITERIA EXHIBIT CHECKLIST

All Exhibits must meet or exceed the provided exhibit descriptions and dated within one year of the applicable final deadline. Additional information provided in the Exhibit Examples document.

Other Selection Criteria	Exhibit	Maximum Points Available	Score
☐ Compliance & Extended Use Periods	No	5	_____
☐ Right of First Refusal	Exhibit 200	2	_____
☐ Exhibit 201	Intentionally Omitted		
☐ Preservation	Exhibit 202 – Letter from mortgage institution, project-rental assistance agreement, or Part 1.	3	_____
☐ Senior Development	Exhibit 203 – Waiver for minimum square feet	2	_____
☐ Family Development	No	1	_____
☐ Mixed Income Development	No	3	_____
☐ Development of Housing in Greater Nebraska	Exhibit 204 – Applicant/Developer Material Participation	2	_____
☐ Certified Economic Development Community/Entitlement Community	No	2	_____
☐ PHA Referral Agreement	Exhibit 205 – PHA Referral Agreement (See Exhibit Examples)	1	_____
☐ Developer / Owner Financial Support	No	2	_____
☐ Track Record of Applicant and/or Owner	Exhibit 206 – Certification of Experience-Applicant and Owner and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska).	1	_____
☐ Management Qualifications & Experience	Exhibit 207-Certification of Experience-Property Management Company and Authorization of Release of Information for each State LIHTC Allocating Agency (including Nebraska). Exhibit 208 – Evidence of attendance at 2021 or 2022 NIFA-sponsored annual LIHTC compliance training and/or evidence of Housing Credit Certified Professional Designation.	4	_____
☐ Architect Certification for Design Standards, Green Standards, and Amenities	Exhibit 209 – include Architect certification including Design Standards, Green Standards, Amenities and Landscape Plan. All other commitments must be visible and labeled in the Exhibit 100- Architectural Plans	21	_____
☐ Project Based Rental Assistance	Exhibit 210 – Commitment letter from the Housing Authority	2	_____
☐ Supportive Services	Exhibit 211 – Supportive Service Plan, Rent Wise Certificate, and commitment letters from service providers	4	_____
☐ Leverage and Collaboration	Exhibit 212 – Evidence of Leverage	4	_____
☐ Exhibit 213	Intentionally Omitted		
☐ Exhibit 214	Intentionally Omitted		

☐ Areas of High Opportunity (Metro only)	No	4	_____
☐ Qualified Census Tract ☐ Neighborhood Revitalization Plan or Choice Neighborhood program	Exhibit 215 – Letter & Plan Exhibit 216—Neighborhood Plan or Evidence of Choice Neighborhood program participation	2 1	_____ _____
☐ Bond Issuer Intent Resolution	Exhibit 217 – Intent Resolution	Required	_____

In addition to the above scoring, all applications will be scored by NIFA/NDED on the following criteria. For a description of the criteria, please refer to page 40.

NIFA / NDED Scored Criteria	Exhibit	Maximum Points Available
Targeting Gross Rents to Lower Levels	No	Up to 5
Efficient Housing Production	No	Up to 6
Effective Use of HOME/CDBG-DR/HTF Funds (if applicable)	No	Evaluated by NDED
Natural Disaster Designation	No	3

YOUR APPLICATION IS COMPLETE!
PLEASE ATTACH EXHIBITS FOLLOWING THIS PAGE.

F. DESCRIPTION OF EXHIBITS (DO NOT SUBMIT THIS SECTION WITH THE APPLICATION)

EXHIBIT 100 – ARCHITECT CERTFICATION, REQUIRED DESIGN AND REQUIRED GREEN STANARDS, AND ARCHITECTURAL PLANS,

Provide a signed certification from the Architect (dated within one (1) year of the final application deadline) that certifies each requirement below:

1. Provide the following for each individual unit type and size; total square footage, residential living space square footage, garage, storage areas, unfinished basement or storm shelters square footage within the unit. The total square footage must = the residential living space + garage + storage areas + unfinished basement + storm shelter.
2. Required Design Standards: Roofing and siding of all buildings exceed the relevant standards set by the American Society for Testing and Material (ASTM).
3. Required Green Standards: All windows will have a minimum R-value of 2.86 or a maximum U-value of .35. All installed appliances will be Energy Star® rated or better. *Note: If the development is utilizing federal historic rehabilitation tax credits and is requesting an exception to the window standards, please include a letter from the Nebraska State Historic Preservation Office detailing the need for the exception.* **Developments applying for CDBG-DR have additional eligibility requirements. The CDBG-DR Eligibility Requirements are available at: https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction**
4. In addition, provide a signed certification from the architect that confirms that the development will be constructed in accordance/compliance with:

   (i) The applicable local energy conservation code, or, if no such code is applicable, then in accordance with the 2018 International Energy Conservation Code.

   (ii) Local Codes or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings)

   (iii) If applying for HOME/CDBG-DR/HTF Funds, for rehabilitation: The development will meet or exceed the NDED rehabilitation standards, and local code requirements or Uniform Building Code, International Residential Building Code, National Building Code Standard Building Code or Council of American Officials one- or two-family code or minimum property standards at 24 CFR 200.925 (for multi-family) or 200.926 (for one- and two-unit dwellings). The NDED rehabilitation standards can be found at: https://opportunity.nebraska.gov/program/home/#administrators
5. Upload legible and labeled preliminary architectural drawings that include all site plan(s), elevation drawings (North, South, East, West) of each building type, and schematic floor plans of the various unit sizes.

NOTE: Material changes to the floor plan(s) without prior approval of NIFA could result in revocation of the reservation or allocation of LIHTC and AHTC.

<u>EXHIBIT 101 – FAIR HOUSING ACT & SECTION 504</u> 1. Provide a <u>signed certification from the Architect</u> that confirms that the development will be constructed in accordance/compliance with: (i) The Fair Housing Act Amendments of 1988; consideration being given to the accessibility/adaptability of units to handicapped occupancy. (ii) If applying for HOME/CDBG-DR/HTF funds, Section 504 accessibility requirements are applicable to the development. Describe what Section 504 requirements apply to the development and how they will be met and/or exceeded. Information regarding Section 504 accessibility requirements can be found at: http://www.access.gpo.gov/nara/cfr/waisidx_98/24cfr8_98.html (iii) Signed certification must be dated within one year of the applicable final deadline.
<u>EXHIBIT 102 – AFFIRMATIVE MARKETING PLAN</u> 1. Provide an Affirmative Marketing Plan: The form is located at https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf . (i) Sign and date the form. (ii) Complete all applicable worksheets. (iii) Signed form must be dated within one year of the applicable final deadline. NOTE: If the development consists of a scattered site (i.e. buildings in the development are located in different towns/cities), a plan is needed for each site.

<u>EXHIBIT 103 – SITE CONTROL</u>

Provide evidence of site control in the form of one of the following eligible forms (if multiple sites, the applicant must have control of <u>each site</u> making up the single development).

1. **Exhibit 103 must also include a legal description and evidence of current fee ownership (e.g. a copy of the current seller's recorded deed or a valid title commitment confirming seller's ownership).**
2. The expiration of any purchase/option agreement must not occur until at least **<u>90 days</u>** after the deadline for submitting the **final** application. (Note: not the threshold deadline).

<u>Eligible Types of Site Control:</u>

(i.) A valid contract/option to purchase the land (and building(s), if any) with the legal description clearly identified between the seller (who must be the current fee owner) & the owner, its general partner or an affiliated entity.

(ii.) Executed disposition and development agreement with a public agency with the legal description clearly identified. (Example: city owns the land (and building(s), if any) and has a transfer agreement with the Owner).

(iii.) Signed long-term land lease with the legal description clearly identified (with a minimum term of 50 years) in a form acceptable to NIFA/NDED with evidence that the lessor owns the land. Provide proof of underlying ownership. (**An agreement to enter into a lease with the above provision is also acceptable for developments located on Tribal lands or land owned by the Veterans Administration.)**

(iv.) Recorded Warranty Deed in the name of the owner, its general partner or an affiliated entity.

<u>EXHIBIT 105 – ZONING</u>

1. Provide a letter from the appropriate local governmental body dated within one (1) year of the final application deadline indicating the development's status in relation to local zoning requirements for the proposed number and type of units. Please use the form letter included as Exhibit 105 in the Exhibit Examples.
   (i.) Development meets all local zoning requirements, including the proposed number and type of units.
   (ii.) If the development is not subjected to municipal zoning ordinances, then the owner must supply NIFA/NDED with written documentation from the appropriate local governmental official, stating the proposed development can be built per the current governing land use regulations, subject only to review of final plans and specifications.
   (iii.) If the development is currently a legal nonconforming use, as per zoning regulations, then the owner must have the zoning administrator's explicit evaluation that a conditional use permit or final approval can be obtained within **<u>180 days</u>** of the LIHTC and AHTC Conditional Reservation.

<u>EXHIBIT 106 – UTILITIES</u> 1. Provide a signed and dated letter from the appropriate local utility provider(s) dated within one (1) year of the final application deadline indicating that applicable utilities are or will be **available** <u>and</u> **adequate** or, if not adequate, provide a list of possible required improvements to serve the development (water, sewer, electric, gas, as applicable). 2. For rehabilitation developments (including developments proposing both new construction and rehabilitation): NIFA/NDED will also require written confirmation from the development's engineer or architect that either the existing utilities require no upgrades, or that upgrades are required with an explanation detailing the nature and extent of necessary upgrades as appropriate.
<u>EXHIBIT 107 – SUBSIDIES/PUBLIC FUNDS</u> 1. Provide copies of all relevant documents, including the amount and terms of any committed funds. If multiple funding sources (i.e. FHLB, TIF, local jurisdiction funds) are included in the development, NIFA/NDED will score based upon the resource that has the least level of readiness and commitment. All documentation must be dated within one (1) year of the final application deadline. NIFA/NDED reserve the right to adjust the CDBG-DR Funds request as needed. 2. <u>If applying for CDBG-DR funds, provide a commitment letter from an alternative funding source that meets the above requirements in the event that the development does not receive CDBG-DR funds. Please note, the development will not be eligible for a conditional reservation of LIHTC/AHTC if CDBG-DR funds are not awarded unless an alternative commitment letter is provided.</u> 3. <u>Any development that has a financing gap, due to the non-award of another source of funding, including NDED funding sources, that is greater than $500,000 will not be eligible for a conditional reservation of LIHTC and AHTC.</u> (i.) No subsidies/public funds are anticipated for the development other than NDED CDBG-DR funds, LIHTC, and/or AHTC. (ii.) All anticipated subsidies/public funds are evidenced by firm commitments or awards (in the case of historic rehabilitation tax credits, a fully executed Part I or evidence that the development is listed on the National Historic Register). (iii.) All anticipated subsidies/public funds <u>have been properly applied for</u>, and an acknowledgement letter has been provided by the subsidy provider(s). (iv.) All anticipated subsidies/public funds <u>have been discussed with all proper authorities</u>, and such discussions have been acknowledged in writing by all subsidy provider(s).

EXHIBIT 108 – INVESTOR INTEREST/COMMITMENT FORM

Attach and label as Exhibit 108, the Investor Interest/Commitment Form.

NOTE: The form must not expire until at least 180 days after the deadline for submitting the final application, and an executed syndication agreement will be required within 90 days of the date of the conditional reservation.

(i) Firm commitment & pricing (note: if range of pricing, it must be no larger than $0.05) from investor that confirms/acknowledges the development's operating assumptions, projections and financial proforma and is accepted via signature by owner/developer for the entire amount of LIHTC requested.

(ii) A letter of interest and pricing (note: if range of pricing, it must be no larger than $0.05) from an investor that confirms/acknowledges the development's operating assumptions, projections and financial proforma.

EXHIBIT 109 – CONSTRUCTION / INTERIM FINANCING FORM

1. Attach and label as Exhibit 109, the Construction/Interim Financing Form. Construction/interim financing must cover all financing needs not covered by equity contributions, grants, permanent financing or other funding sources; and be adequate to complete construction.

2. Documentation must be dated within one year of the applicable final deadline.
   (i) Completed Construction/Interim Financing Form verifying for the entire construction/acquisition/rehabilitation financing amount, binding upon the lender(s) for at least 180 days after the application is submitted for the final application deadline.
   (ii) The applicant intends to finance all of the construction/rehabilitation costs from its own resources. To qualify for these points, the applicant must provide a third-party verification that such resources are (A) available and (B) committed solely to finance the development.

EXHIBIT 110 – PERMANENT FINANCING FORM

1. Attach and label as Exhibit 110, the Permanent Financing Form. Permanent financing must cover all financing needs not covered by equity contributions, grants or other funding sources; and must be adequate to achieve the minimum debt service coverage ratio required by NIFA/NDED, the lender and syndicator.

2. Documentation must be dated within one year of the applicable final deadline.
   (i.) Completed Permanent Financing Form indicating a commitment, for the entire permanent financing amount, binding upon the lender(s) for at least 180 days after the application is submitted for the final application deadline accepted via signature by owner/developer.
   (ii.) The applicant intends to finance all of the development costs from its own resources. To qualify for these points, the applicant must provide a third-party verification that such resources are (A) available and (B) committed solely to finance the development.
   (iii.) The development does not require any permanent financing.
   (iv.) Completed Permanent Financing Commitment Form indicating interest in financing the entire permanent financing amount.

EXHIBIT 111 – DEVELOPMENT WORKSHEETS (UNDERWRITING CRITERIA)

1. The Development Worksheets for Exhibit 111 can be found in the Exhibit Examples.

   The Development Worksheets must demonstrate that the development will be financially viable for a minimum of 15 years, 20 years if requesting HOME funds or 30 years if requesting National Housing Trust Funds (HTF)**. A copy of the Exhibit 111 must be uploaded to the online funding application as Exhibit 111. Please upload in Excel file format (not a pdf).** NIFA and/or NDED reserves the right to adjust the Development Worksheets to reflect economic and/or market conditions as they deem appropriate.

   The square footage of each unit should not include the following: garages, storage areas (as described in the Amenities Section of the application), and unfinished basement or storm shelters. It should reflect the residential finished living space. If selecting to provide a storm shelter that also will serve as a bathroom or bedroom closet, the architect must certify that such space qualifies as a storm shelter. If such space qualifies as a storm shelter the square footage can be included in the residential living square footage of the unit.
2. The Development Worksheets must meet the following minimum underwriting guidelines:

Minimum Underwriting Guidelines		
	LIHTC Only	LIHTC with CDBG-DR
Replacement Reserves (per unit, per year)	$250	$350
Operating Reserves (debt service + operating expenses)	Consult lender(s) & syndicator	8 months
Vacancy Rate	7%	7%
Revenue Escalator (maximum allowed)	2%	2%
Expense Escalator (minimum required)	3%	3%
Minimum Debt Service Coverage Ratio	1.15	1.15

3. During the first full year of operations, the development must achieve a debt service coverage ratio of:

   (i.) 1.20 or higher

   (ii.) No permanent hard debt service

   (iii.) Between 1.15 and 1.19

EXHIBIT 112 – MARKET STUDY

1. IRC Section 42 requires a comprehensive market study of the housing needs within the community in which the development will be located. A description of information required to be included in the market study is set forth in the Exhibit Examples labeled Exhibit 112.
2. Documentation must be dated within one year of the applicable final deadline.
3. HOME, CDBG-DR and HTF applicants – Market study must support the absorption of units within 18 months of completion of the development.

EXHIBIT 113 – PRE-NOTIFICATION OF LOCAL JURISDICTION

1. Provide a copy of the letter(s) or email submitted to the chief executive officer (i.e. Mayor) for each applicable local jurisdiction. The letter/email must **be current (dated no earlier than one (1) year prior to the current round final application deadline) and** describe the following characteristics of the development: a) the development's configuration (i.e. number of units, bedroom types); b) density; c) planned use; d) intent to apply for LIHTC and AHTC.
2. Provide a confirmation of receipt, for each pre-notification. Confirmation can be evidenced by either certified mail receipt, overnight mail receipt or a confirmation letter/email from the appropriate official's office.
3. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 114 – CAPITAL NEEDS ASSESSMENT

1. If the development involves the rehabilitation or adaptive reuse of an existing building(s), the application must include a capital needs assessment ("CNA") for the building(s). A description of information required to be included in the CNA is set forth in the Exhibit Examples.
2. If the development does not involve rehabilitation of an existing building(s), a CNA is not required.
3. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 115 – TEN YEAR RULE/APPRAISAL

1. If the development involves the acquisition of an existing building(s), provide a legal opinion from an attorney that the Ten Year Rule requirements will be or have been met or that the acquisition of the existing building is exempt from the Ten Year Rule. An example of the form of legal opinion is located in the Exhibit Examples.
2. Provide a copy of the current appraisal from an unrelated third party.
3. If the applicant is not requesting acquisition LIHTC in connection with the development, a legal opinion is not required.
4. Documentation must be dated within one (1) year of the final application deadline.

EXHIBIT 116 – AHTC INVESTOR INTEREST/COMMITMENT FORM (if applicable)

Attach and label as Exhibit 116, the AHTC Investor Interest/Commitment Form.

NOTE: The form must not expire until at least 180 days after the deadline for submitting the final application, and an executed syndication agreement will be required within 90 days of the date of the conditional reservation.

(i) Firm commitment and equity pricing of $0.60 or greater from investor that confirms/acknowledges the development's operating assumptions, projections and financial pro forma and is accepted via signature by owner/developer for the entire amount of AHTC requested.

(ii) A letter of interest or commitment and pricing of less than $0.60 (note: if range of pricing, the range must be no larger than $0.05) from an investor that confirms/acknowledges the development's operating assumptions, projections and financial pro forma.

ALL APPLICATIONS MUST MEET THRESHOLD CRITERIA TO RECEIVE FURTHER CONSIDERATION BY NIFA AND/OR NDED.

G. DESCRIPTION OF NIFA / NDED SCORED CRITERIA

Criteria	Points
Targeting Gross Rents to Lower Levels • Up to five (5) points may be awarded based upon the depth of the targeted gross rent levels for the development. • Three (3) points will be awarded if at least 10% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 40% of the applicable AMI. • Two (2) points will be awarded if at least 40% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 50% of the applicable AMI. These units shall be in addition to any units selected at 40% AMI or less. • NOTE: Applicants must agree to have the development rents bound by the targeting commitments as set forth in the application for the duration of the 15-year compliance period, which will be incorporated in the LURA. Information regarding Targeting Gross Rents for the previous year is available on NIFA's website at **www.nifa.org**.	Points Available: Up to 5
Efficient Housing Production • The development represents an efficient production of housing. Up to six (6) points will be awarded when comparing current applicants, in a measure of the quality of effort made to minimize development costs, and leverage funding sources in the production of affordable housing. Applications will be separated by development type (new construction vs rehabilitation) within each set-aside. If there are not at least four applications proposing rehabilitation developments, the measurements from the previous year(s) shall be used. Adjusted eligible basis cost per unit (up to two (2) points); adjusted eligible basis cost per residential finished square foot (not including garages, unfinished basements and storage areas) (up to two (2) points) and LIHTC per occupant (up to two (2) points) will be are within reasonable limits as compared to local and national standards (NOTE: If requesting a basis boost, the basis boost for QCT's, DDA's, and non QCT's will have an impact on the scoring of LIHTC per occupant in this category.)	Points Available: Up to 6
Effective Use of HOME/CDBG-DR/HTF Funds (for developments applying for HOME/CDBG-DR/HTF funds) Prior to the scoring team meeting, NDED will independently evaluate each of the applications, which include a request for State HOME/CDBG-DR/HTF funds. This evaluation will be based upon the information contained in the joint NIFA/NDED application in order to ensure that the following items are satisfied: (a) Site plans have been prepared which are appropriate for the development and development's location; (b) Applicant has obtained appropriate site control;	Evaluated by NDED

(c) All subsidies needed for the development are in place or applicant has provided sufficient documentation that all subsidies are obtainable;
(d) A syndicator has provided a firm commitment to the applicant for the development which includes firm pricing with a range no greater than $0.05;
(e) Construction financing has been secured for the development;
(f) Permanent financing has been secured for the development (if permanent financing is required);
(g) The Development Worksheets submitted by the applicant evidence that the financing terms and debt service coverage will provide for long term sustainability of the development; and
(h) The request for HOME/CDBG-DR/HTF funds does not exceed 25% of the total development costs.
(i) Efficient Housing Production for HOME/CDBG-DR/HTF Funds will be evaluated by cost per unit, cost per residential finished square foot (not including garages, unfinished basements, and storage areas), and HOME/CDBG/DR/HTF per occupant.
(j) Each project will be evaluated in accordance to 24 CFR 92.250.

NDED will work with and notify applicants prior to the final application due date as to whether or not NDED has approved the site selected for the development and whether or not NDED is committed to funding a development if that development receives a LIHTC allocation. During the scoring process, NDED will provide the scoring team with a list of the developments that NDED is prepared to fund based on the above-mentioned criteria. NDED will fund developments requesting HOME/CDBG-DR/HTF funds based on the final ranking made by the scoring team and approved by the NIFA Board until the balance of HOME/CDBG-DR/HTF funds are allocated. NDED reserves the right to reduce HOME/CDBG-DR/HTF funding to a maximum of $500,000, regardless of ranking. If applying for HOME/CDBG-DR/HTF funds, it is required that you provide a commitment letter from an alternative source for the balance above the $500,000 in the event that the development does not receive the full amount requested for HOME/CDBG-DR/HTF. If NDED is unable to fund a development in its entirety (with the total HOME/CDBG-DR/HTF request applied for within this LIHTC Application) and there is no documented source of alternative funding, NDED will not recommend that development for a HOME/CDBG-DR/HTF allocation and it will be the responsibility of the Applicant to secure additional funds for the development. NDED reserves the right to not fund applications based on the status of other federal and state funding sources, including those involved in the development and any conditional reservation of funds, regardless of ranking.

Natural Disaster Designation

Two (2) points will be awarded to developments, located or to be located in a county that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster. The list of eligible counties is as follows:		
Antelope	Boone	Boyd
Buffalo	Burt	Butler
Cass	Colfax	Cuming
Custer	Dawson	*Dodge
*Douglas	Hall	Holt
Howard	Knox	Madison
Nance	Nemaha	Pierce
Platte	Richardson	Saline
Santee Reservation	*Sarpy	Saunders
Stanton	Thurston	Washington

*Counties included in the HUD-defined MID area

OR

Three (3) points will be awarded to housing developments, located or to be located in a community that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster. The list of eligible communities is as follows:

Fremont	Gretna	Inglewood
La Vista	Papillion	Waterloo
Valley	Springfield	Bellevue

Developments will only receive points in one of these categories (not both). Amounts requested or allocated from CDBG-DR funds under the program guidelines will be further governed and/or limited by HUD program overlays.

Points Available: 0, 2 or 3

H. FINAL RANKING

1. NIFA/NDED will rank each application according to the total number of points awarded in each of the Other and NIFA scored criteria.

2. After evaluating and scoring all applications received for each application acceptance round, NIFA/NDED will consider the following factors in determining which development will receive a LIHTC reservation if there is a tie between applications.

   (a) consideration given to meeting the established set-asides;

   (b) which application demonstrates readiness to proceed with the development, specifically meeting all zoning requirements or building permits being issued;

   (c) which serves the lowest income tenants;

   (d) which obligates the owner to serve qualified tenants for the longest period of time;

   (e) which provides the most efficient usage of the LIHTC on a per-unit basis; and

   (f) which is located in a QCT and contributes to a concerted community revitalized plan.

OVERVIEW OF RANKING PROCESS – CONSIDERATIONS

1. NIFA may disqualify applications from applicants who have previously failed to place into service developments which received a Carryover Allocation or who have not fulfilled their obligation of any previously issued LIHTC Conditional Reservation.

2. NIFA shall award LIHTC and AHTC only in the amount needed based on the review of the development. The award of LIHTC and AHTC or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the development by NIFA. NIFA will, from time to time, set a maximum amount of LIHTC and AHTC that can be allocated to a development in an amount, which it deems appropriate, given the demand for LIHTC and AHTC and the relative proposed costs of currently competing development applications. No member, officer, agent or employee of NIFA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the LIHTC and AHTC.

NOTE: Should the Nebraska Department of Revenue, IRS or the Department of the Treasury release rulings, notices or regulations that modify or change any of the information of this application, these rulings, notices or regulations will take precedence over the QAP and application. Copies of applications submitted pursuant to the QAP (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for applications at www.nifa.org.

By submission of an application pursuant to the QAP, the applicant acknowledges and agrees to such publication of its application and related information.

LOW-INCOME HOUSING TAX CREDITS

2022/2023 NIFA/NDED Exhibit Examples

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

CERTIFICATION OF APPLICANT/OWNER

The undersigned, on behalf of the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC Program and the Nebraska Department of Revenue with respect to the AHTC Program and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC and the AHTC Program will be governed and controlled by the rules and regulations issued by the United States Treasury and Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this application or in the listed attachments and exhibits is in any way false, incorrect or incomplete, and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.

I (We) understand that any misrepresentations and/or fraudulent information contained within this application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and the AHTC Program participation and notification of such to the Internal Revenue Service and Nebraska Department of Revenue.

I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC and AHTC or the use of the information concerning the LIHTC and AHTC Program.

I (We) hereby authorize any state LIHTC Allocating Agency to release to NIFA any and all information that such state LIHTC Allocating Agency has regarding development compliance, the curing of or failure to cure any development noncompliance, any formal or informal action taken by any state LIHTC Allocating Agency with respect to my/our participation in any low-income housing tax credit program and any other data that may be relevant to NIFA in its assessment of our development experience and compliance record.

I (We) acknowledge that copies of Applications submitted pursuant to the Qualified Allocation Plan ("QAP") (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE will be made available by NIFA to the public (other than during the active review process) upon written request. By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to the release and publication of its Application and related information.

I (We) understand and agree that applicant shall, subsequent to submission of the original Application, notify NIFA in writing, within three (3) business days of becoming aware thereof, of any material adverse change or condition occurring in connection with the information submitted in the Application which (i) impairs the development of the project; (ii) would make the information contained in the Application no longer true and accurate; or (iii) adversely affects the scoring assigned, or to be assigned, to such Application. I (We) further understand that failure to notify NIFA may, in NIFA's sole discretion, result in the Application, allocation and/or Reservation to be revoked, modified, suspended, or rejected.

________________________________ _____

Signature of Applicant/Owner Date

STATE OF ______)

) ss.

COUNTY OF ______)

I, the undersigned, a notary public in and for said County, in said State, hereby certify that _________________, whose name signed to the foregoing statement, and who is known to me, acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily.

Given under my hand and official seal this ______ day of___________, 20_____.

Notary Public Seal _______________________ _______________________

(Signature of Notary)

CERTIFICATION OF CRANE APPLICANT

The undersigned hereby certifies that the information set forth in this application and in any exhibits in support thereof, is true, correct and complete. The undersigned understands that any misrepresentation may result in the cancellation of any resources allocated or reserved under the CRANE Program. The undersigned also agrees that NIFA and/or the participating resource providers may request additional information to evaluate this application:

______________________________ ______

Applicant Signature Date

____

Name of Applicant

CERTIFICATION OF HOME/CDBG-DR/HTF APPLICANT *(if applying for HOME/CDBG-DR/HTF Funds and LIHTC)*

The undersigned certifies to the Nebraska Department of Economic Development:

He/she is duly authorized to so certify, and sign this application on behalf of the HOME/CDBG-DR/HTF applicant, under procedures prescribed by the governing rules/organizing documents applicable to governance of the applicant.

That the application contents, which include materials both preceding and following this certification, and all accompanying Exhibits, which Exhibits are incorporated herein by this reference, are true and correct to the best of my knowledge and belief.

That this certification applies to any and all certifications and assurances which may be internally contained within the body of the application (or internally contained within the incorporated Exhibits), as well as to the entirety of the application. Examples (but not an exhaustive listing) of such internally contained certifications and assurances include: the certification found at Exhibit 14 (entitled “Statement of Assurances and Certification for Local Governments”); and the certification found at Exhibit 16 (entitled “Applicant Certification Form for Non-Profits and Housing Authorities”).

He/she commits the applicant to notifying the Department of Economic Development of any changes to the original application within 15 days of the change.

______________________________	________________________	_____
Signature as Authorized Official for Applicant	Printed Name & Title	Date

STATE OF _____)

) ss.

COUNTY OF _____)

I, the undersigned, a notary public in and for said County, in said State, hereby certify that _______________, whose name signed to the foregoing statement, and who is known to me, acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily.

Given under my hand and official seal this _____ day of_______________, 20_____.

Notary Public Seal ____________________ ______________________

(Signature of Notary)

STATEMENT AND CERTIFICATION OF CONSULTANT *(if a consultant is utilized in the making or filing of this application)*

The undersigned, as consultant(s) to the applicant entity, is (are) familiar with the provisions of the Internal Revenue Code with respect to the LIHTC and the Nebraska Department of Revenue with respect to the AHTC Program, and, to the best of my (our) knowledge and belief, the applicant entity has complied, or will comply, with all of the requirements which are prerequisite to an allocation of LIHTC and AHTC by NIFA. I (We) understand that the LIHTC program will be governed and controlled by rules and regulations issued by the United States Treasury and the Nebraska Department of Revenue, and I (we) have read such rules and am (are) familiar with the requirements thereof. The undersigned further certifies that the information set forth in this application, and any attachments and exhibits thereto, is true, correct and complete, that no information contained in this application or in the listed attachments and exhibits is in any way false, incorrect or incomplete; and that the proposed construction/rehabilitation will not violate zoning ordinances or deed restrictions.

I (We) understand that any misrepresentations and/or fraudulent information contained within this application may result in the revocation of LIHTC and AHTC by NIFA and potentially my (our) and related parties being barred from future LIHTC and AHTC Program participation and notification of such to the Internal Revenue Service and the Nebraska Department of Revenue.

I (We) hereby make application to NIFA for a reservation of LIHTC and AHTC. The undersigned hereby acknowledges that the making of a reservation by NIFA does not warrant that the development is financially feasible or otherwise qualified to claim LIHTC and AHTC. I (We) agree that NIFA's directors, officers, employees and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the LIHTC and AHTC Program; therefore, I (we) assume the risk of all damages, losses, costs and expenses related thereto and agree to indemnify and save harmless NIFA or any of its directors, officers, employees and agents against any and all claims, suits, losses, damages, costs and expenses of any kind and of any nature that NIFA may hereinafter suffer, incur or pay arising out of its decision concerning the application for LIHTC or the use of the information concerning the LIHTC and AHTC Program.

__________________________ Date _____

Signature of Consultant

STATE OF ______)

) ss.

COUNTY OF ______)

I, the undersigned, a notary public in and for said County, in said State, hereby certify that _________________, whose name signed to the foregoing statement, and who is known to me, acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily.

Given under my hand and official seal this ______ day of_________________, 20______.

Notary Public Seal _______________________ ______________________________

(Signature of Notary)

EXHIBIT 3

NON-PROFIT INFORMATION

If the development is to be considered for the non-profit LIHTC set-aside, the following information must be submitted:

(i) A copy of the non-profit's IRS determination letter.

(ii) A list of all names, addresses and phone numbers of the board members for the non-profit.

(ii) Describe the non-profit's participation in the construction/rehabilitation of the development and the daily operations of the development.

(iii) Describe the non-profit's ownership in the development entity (including the non-profit's ownership percentage in the development).

(v) State whether the non-profit's ownership rights with respect to the development are expected to remain the same throughout the compliance period.

(vi) Identify all paid full-time staff and the sources of funds for the non-profit, for its annual operating expenses and current programs.

(vii) Copy of the non-profit's by-laws.

EXHIBIT 8

LOCATION MAP

Provide a city location map clearly identifying the proposed development and identifying any of the following within a 1-mile radius:

a. Grocery Store

b. Retail Businesses

c. Community Center(s)

d. Hospital

e. Schools (Elementary, Middle and High Schools)

f. Child Care Centers

g. Parks

h. Supportive Service Providers (if services are to be provided at another location than the development)

i. Bus Service Route

EXHIBIT 10

Site Visit Review & Approval HOME/HTF/CDBG-DR

1. If applying for HOME/HTF funds from NDED, a site visit review must be requested in writing to Mechele Grimes via email at mechele.grimes@nebraska.gov at least 75 days prior to the current application deadline. Please attach a copy of the executed NDED Site Visit Review by NDED as Exhibit 10.
2. If applying for CDBG-DR funds from NDED, a site visit review must be requested from NDED. Please attach a copy of the executed NDED Site Visit Review by NDED as Exhibit 10.
3. https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction
4. If your proposed development is located in Omaha, Lincoln, or South Sioux City, HOME/HTF funds may be available from the local jurisdiction through their own application process. Developments in these communities are also eligible to apply for HOME/CDBG-DR/HTF funds through NIFA/NDED's joint application process.

If not applying for HOME/HTF/CDBG-DR funds, a site review is not required.

NEBRASKA DED HOUSING SITE REVIEW FORM

Please complete all the information in Box A, B and C. Please provide one site review form for each address.

Part A. Project Information

NAME OF PROJECT			
CONTRACT # *(or other identifier, if applicable)*			
APPLICANT		**DEVELOPER**	
NAME OF PERSON COMPLETING FORM			
EMAIL ADDRESS		**PHONE**	

FUNDING SOURCE *(select all that apply)*:

☐ **CDBG-DR** ☐ **HOME** ☐ **HTF (National Housing Trust Funds)** ☐ **NE Affordable Housing Trust Funds**

PROJECT OVERVIEW	**PROPOSED DED REQUEST**	$
Project activities include *(check all that apply)*:	**PROPOSED TOTAL PROJECT COST:**	$
☐ acquisition	**NUMBER OF UNITS PROPOSED**	
☐ rehabilitation	**NUMBER OF BUILDINGS PROPOSED**	
☐ new construction	**NUMBER OF ROOMS**	
☐ demolition		
☐ site improvements including infrastructure (i.e., roads, lights, turn lanes, etc.)	**DESCRIPTION OF ALL ACTIVITIES PROPOSED FOR THE PROJECT:**	
☐ Other: _____________		
Types of units to be served *(check all that apply)*:		
☐ single family		
☐ rental		
☐ multi-family		
☐ homebuyer		
☐ townhouses (e.g., duplex, 3-plex)		
☐ elderly		
☐ special needs / homeless		

☐ Other:____________	

Part B-1. Proposed Site Information

Property Physical Address of Site proposed for the project: _____

Condition of lot: ☐ vacant ☐ existing structure

Shape of Site ☐ Square ☐ Rectangular ☐ Other _____ (long narrow sites should be avoided)

Slope of Site ☐ No Slope ☐ Slight Slope ☐ Medium Slope ☐ Steep Slope

Is the site located in a suitable neighborhood or location? (consider noise, traffic, view, air pollution, etc.)

☐ Yes ☐ No **Refer to 24 CFR 93.150 for HFT and 24 CFR 983.6(b) for HOME Site & Neighborhoods Standards*

Is the site compatible with surrounding land uses? ☐ Yes ☐ No

The adjacent properties include: (Residential, Commercial, vacant?)

North _____ South ______ East _____ West _____

Is the site located in reasonable proximity to facilities and services that may be utilized by the residents?

☐ Yes ☐ No

Describe the distance to the following locations:

Day Care ______miles Grocery Store ______miles Hospital ______miles

Parks ______miles Schools______miles Shopping ______miles

Other Health Care Services_______ miles

Is the site located within a 100 year floodplain? (also known as a Special Flood Hazard Area [SFHA])

☐ Yes ☐ No

Are there any mitigating measures needed for the project?

☐ Yes ☐ No These measures will include:______

Part B-2. Proposed Site & Project Information – Disaster Recovery

Is the site in a location that addresses unmet housing needs outlined in the CDBG-DR Action Plan for DR-4420? ☐ Yes ☐ No

Is the site located within a 100-year floodplain? (i.e., Special Flood Hazard Area [SFHA])

☐ Yes ☐ No

Are there any mitigating measures consistent with HUD CDBG-DR requirements needed for the project?

☐ Yes ☐ No These measures will include:____

Does developer have site control? ☐ Yes ☐ No

Have there been any choice limiting actions which would impair environmental review approvals? ☐ Yes ☐ No

Part C. Infrastructure

Are there unusual drainage problems?

☐ No ☐ Yes If yes, problems include____________________

Is street access appropriate for the scale of the development? ☐ Yes ☐ No

Are the streets paved? ☐ Yes ☐ No

Will the development also include paving? ☐ Yes ☐ No

Are there also sidewalks, curbs, and gutters? ☐ Yes ☐ No

Will the development include sidewalks, curb, and gutters? ☐ Yes ☐ No

Are there any additional street improvements or mitigating measures needed for the project? (i.e. additional street lights, turn lanes, etc.) ☐ No ☐ Yes If yes, these additional improvements/measures will include____________________

____

Are there any mitigating measures needed for the project specifically related to infrastructure?

☐ Yes ☐ No These measures will include:____

Part D. REQUIRED Attachments to Accompany Form

Exhibit A: Short narrative 100 words or less on the proposed project. This project description should be consistent with that of the public hearing and the initial Environmental Review Determination of Level of Review (DLR) form.
Exhibit B: Proposed site plan for the project.
Exhibit C: Aerial maps of the project site and surroundings and clearly identify the site on the map.
Exhibit D: FEMA Flood Insurance Rate Map (FIRM) ____[Map #, Panel #]
Exhibit E: Proof of current zoning

To Be Completed by DED Representative

Site review was conducted by _______________________________________ on ______________(date).

CONCLUSION: Based on the site review, the Department has determined that the site is:

☐ Approved, because the site is acceptable.

☐ Approved with the following mitigation measures:
____

☐ Not approved because the site is outside of disaster declared counties.

☐ Not approved because the site is unacceptable based on____

☐ Not approved because the site is subject to re-inspection.

☐ Not approved until the following mitigating measures can be agreed upon:
____

___________________________________	______________________________	________________
Signature	Printed Name	Date

EXHIBIT 11

HOME AND CDBG-DR

ENVIRONMENTAL REVIEW RECORD AND PROCESS

AND

DETERMINATION OF LEVEL OF REVIEW FORM

All HOME and CDBG-DR projects are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), which establishes national policy and procedures for protecting, restoring and enhancing environmental quality. HOME and CDBG-DR is also subject to other statutes, Executive Orders and regulations dealing with a number of specific concerns, such as historic preservation, floodplain management, wetland protection, noise control, manmade hazards and others. The applicant must complete the environmental review and receive a Notice of Release of Funds from the Department, before starting any project activities, and obligating or expending any HUD or non-HUD funds (24 CFR 58.22).

FOR HOME and CDBG-DR Projects the following needs to be provided in a summary form: An initial evaluation for the environmental review must be completed at the time of the application. This evaluation should include a summary of what environmental review areas may be of most concern during the project development including, but not limited to, whether or not the project site is located within a Special Flood Hazard Area; whether or not the project may impact floodplains or wetlands; whether or not the project may impact historic resources; and whether or not the site may contain contamination or toxic substances that may create an issue to persons within the project. These initial items should be evaluated prior to the submittal of the application as they may impact project development and site suitability. Please contact Mechele Grimes, Housing Specialist, at (402) 309-4536 or by email at mechele.grimes@nebraska.gov for additional information. In addition, a Determination of Level of Review form must be completed and submitted with the summary, with the exception for HTF, as the DLR is not required.

For National Housing Trust Funds (HTF) Projects please refer to the following link for guidance: https://files.hudexchange.info/resources/documents/Notice-CPD-16-14-Requirements-for-HTF-Environmental-Provisions.pdf

EXHIBIT 11

DETERMINATION OF LEVEL OF REVIEW

ERR GRANT#___________________________________

Project Name:____Program Year:______

Project Location:____

Project Description (*Attach additional descriptive information, as appropriate to the project, including narrative, maps, photographs, site plans, budgets and other information*.):

____

The subject project has been reviewed pursuant to HUD regulations 24 CFR Part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," and the following determination with respect to the project is made:

☐ **Exempt** from NEPA review requirements per 24 CFR 58.34(a)(____)

☐ **Categorically Excluded NOT Subject** to §58.5 authorities per 24 CFR 58.35(b)(____)

☐ **Categorically Excluded SUBJECT** to §58.5 authorities per 24 CFR 58.35(a)(____)

(A Statutory Checklist for the §58.5 authorities is attached.)

☐ An **Environmental Assessment** (EA) is required to be performed. (An Environmental Assessment performed in accordance with subpart E of 24 CFR Part 58 is attached.)

☐ An **Environmental Impact Statement** (EIS) is required to be performed.

The ERR (see §58.38) must contain all the environmental review documents, public notices and written determinations or environmental findings required by Part 58 as evidence of review, decision making and actions pertaining to a particular project. Include additional information including checklists, studies, analyses and documentation as appropriate.

____________________________	____________________________
Preparer Name	**Signature**
____________________________	____________________________
Title	**Date**

____________________________	____________________________
Responsible Entity Certifying Officer	**Signature**

Title	Date

EXHIBIT 12

PUBLIC HEARING DOCUMENTATION

INSTRUCTIONS: A public hearing is required as part of the joint application process. The template on the following page is for your use in creating the official notice for that purpose. At this hearing, the Applicant must convey specific federal program (e.g., CDBG-DR, HOME, HTF) requirements and related project issues. For example, if taxes or user charges will need to be increased as part of financing the project, it is especially important that residents understand the necessity of raising taxes/user charges. This discussion would then be specifically reflected in the meeting minutes.

The public hearing **must** include the following:

1. How the need for the activities was identified;
2. The nature of the proposed activities;
3. Project location, including address(es) and legal description (if no addresses are available, a location description must be used, e.g., between Maple Avenue and Oak Street and 23rd and 24th Streets);
4. All project activities to be undertaken;
5. Amount and source of funds for each activity;
6. Estimated total amount of requested federal funds (e.g., CDBG-DR/HOME/HTF) that will benefit low- and moderate-income people;
7. Amount and source of other funds, if any; and
8. Plans for minimizing displacement of persons and businesses as a result of CDBG-DR/HOME/HTF activities; and
9. Plans to assist persons actually displaced.

As part of the application submission, Applicants are required to submit the following documentation:

1. The notification to the public advertising the date/time of the public hearing.
2. Verification that the notification was published (Affidavit of Publication) or that the notification was posted within the community (Certificate of Posting).
3. Official meeting minutes as recorded by the appropriate local official.
4. Summary of public comments received, where applicable. If no comments received, this should be recorded in the meeting minutes and submitted, documenting no comments received.

EXHIBIT 12

Public Hearing Template

NOTICE OF PUBLIC HEARING ON APPLICATION FOR FEDERAL RESOURCES

NOTICE IS HEREBY GIVEN that on [Date] in the [Place], the [Name of the Local Government Unit or other eligible entity] will hold a public hearing concerning an application to the Nebraska Department of Economic Development for a [federal resource, e.g., Community Development Block Grant Disaster Recovery (CDBG-DR), HOME Investment Partnership (HOME), National Housing Trust Fund (HTF), etc.] award. This funding is available to eligible entities to [purpose of program, e.g., rebuild the affected areas impacted by DR-4420 and provide crucial seed money to start the recovery process (CDBG-DR only), for local affordable housing activities (HOME and HTF only)].

The [Name of the Local Government Unit or other eligible entity] is requesting [exact amount of federal funds] for [Detailed project description which must include: (1) How the need for the activities was identified; (2) The nature of the proposed activities; (3) Project location, including address(es) and legal description (if no addresses are available, a location description must be used, e.g., between Maple Avenue and Oak Street and 23rd and 24th Streets); (4) All project activities to be undertaken; (5) Amount and source of funds for each activity; (6) Estimated total amount of requested federal funds (e.g., CDBG-DR/HOME/HTF) that will benefit low- and moderate-income people; (7) Amount and source of other funds, if any; and (8) Plans for minimizing displacement of persons and businesses as a result of CDBG-DR/HOME/HTF activities; and (9) Plans to assist persons actually displaced.]

The grant application will be available for public inspection at [Place]. All interested parties are invited to attend this public hearing at which time you will have an opportunity to be heard regarding the grant application. Written and oral testimony will also be accepted at the public hearing scheduled for [Time], [Date], [Address, Room Number, etc.]. Written comments addressed to [Contact Person] at [Address] will be accepted if received on or before [Date].

Individuals requiring physical or sensory accommodations including interpreter service, Braille, large print, or recorded materials, please contact [Contact Person] at [Address, Phone Number] no later than [Date]. Accommodations will be made for persons with disabilities and non-English speaking individuals provided that a [Number] day notice is received by the [Name of the Local Government Unit or other eligible entity].

EXHIBIT 13

AUTHORIZING RESOLUTION

INSTRUCTIONS: An authorizing resolution is required as part of the joint application process. The authorizing resolution must be **printed on the local unit of government's** (or other eligible entity's) **letterhead or notarized.** Below is the template to be completed to reflect the applicant's information.

RESOLUTION AUTHORIZING CHIEF ELECTED OFFICIAL TO SIGN AN APPLICATION FOR FUNDS

Whereas, the [Name of the Local Government Unit or other eligible entity], Nebraska, is an eligible unit of a general local government authorized to file an application under the Housing and Community Development Act of 1974 as amended, and, Cranston-Gonzalez National Affordable Housing Act of 1990 (HOME Program) funds distributed by the Department of Economic Development; and,

Whereas, the [Name of the Local Government Unit or other eligible entity], Nebraska, has obtained its citizens' comments on community development and housing needs; and has conducted public hearing(s) upon the proposed application and received favorable public comment respecting the application which for an amount of [Specify Amount of Funds] for [Description of Project]; and,

NOW, THEREFORE, BE IT RESOLVED BY

[Controlling Government Body] of [Name of the Local Government Unit], that the [Title of Chief Elected Official] be authorized and directed to proceed with the formulation of any and all contracts, documents or other memoranda between [Name of the Local Government Unit or other eligible entity] and the Nebraska Department of Economic Development so as to effect acceptance of the grant application.

____
Chief Elected Official Signature

____
Chief Elected Official Printed Name, Title

____
Date

EXHIBIT 14

STATEMENT OF ASSURANCES & CERTIFICATIONS TEMPLATE

INSTRUCTIONS: The Statement of Assurances and Certifications is required as part of the joint application process. This must be printed on the local unit of government's (or other eligible entity's) letterhead or notarized. Below is the template to be updated to reflect the applicant's information.

APPLICANT'S STATEMENT OF ASSURANCES AND CERTIFICATIONS

The [Name of the Local Government Unit or other eligible entity] (Applicant) hereby assures and certifies to the Nebraska Department of Economic Development (Department) regarding an application for Community Development Block Grant Disaster Recovery (CDBG-DR), HOME Investment Partnership (HOME), or National Housing Trust Fund (HTF) funds, the following:

THRESHOLD CERTIFICATIONS

1. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government that would adversely affect the administration of this grant.

2. No legal actions are underway or being contemplated that would significantly impact the Applicant's capacity to effectively administer the program, and to fulfill the CDBG-DR/HOME/HTF program; and

3. No project costs have been incurred that have not been approved in writing by the Department.

FEDERAL COMPLIANCE CERTIFICATIONS

4. It will adopt and follow a residential anti-displacement and relocation assistance plan that will minimize displacement as a result of activities assisted with CDBG-DR/HOME/HTF funds.

5. It will conduct and administer its programs in conformance with:

   a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1).

   b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing, and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.

   c. The Fair Housing Act of 1988 (42 U.S.C. 3601-19) and will affirmatively further fair housing.

6. It will not attempt to recover any capital costs of public improvements assisted in whole or part by assessing any amount against properties owned and occupied by persons of low- and moderate-income (LMI), including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (1) grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than grant funds,

or (2) for purposes of assessing any amount against properties owned and occupied by persons of LMI who are not persons of very-low income, the Applicant certifies to the state that it lacks sufficient grant funds to comply with the requirements of clause (1).

7. It will comply with all provisions of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously as well as with other applicable laws.

CITIZEN PARTICIPATION PLAN CERTIFICATION

8. It certifies that a detailed citizen participation plan is on file which includes:

    a. Providing and encouraging citizen participation with particular emphasis on participation by lower income persons who are residents of slum and blight areas in which funds are proposed to be used to include target areas as identified in the application.

    b. Providing citizens with reasonable and timely access to local meetings, information, and records relating to the Applicant's proposed and actual use of CDBG-DR/HOME/HTF funds.

    c. Furnishing citizens with information, including but not limited to, the amount of CDBG-DR funds expected to be made available for the current fiscal year including CDBG-DR/HOME/HTF funds and anticipated program income the range of activities that may be undertaken with CDBG-DR/HOME/HTF funds; the estimated amount of CDBG-DR/HOME/HTF funds to be used for activities that will meet the national objective of benefit to low- and moderate-income people, and the proposed CDBG-DR/HOME/HTF-funded activities likely to result in displacement and the Applicant’s anti-displacement and relocation plans.

    d. Providing technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals. The level and type of assistance is to be identified within the plan.

    e. Providing for public hearings at different stages of the program, for the purpose of obtaining citizen's views and responding to proposals and questions. The hearings must cover community development and housing needs, development of proposed activities and review of program performance. The hearing to cover community development needs must be held before submission of an application to the state. The hearing on program performance must be held during the implementation of the CDBG-DR awarded grant. There must be reasonable notice of the hearings and they must be held at times and locations convenient to potential or actual beneficiaries, with accommodations for the handicapped. Public hearings are to be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can be expected to participate.

    f. Providing citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in the application to the state and for grants already made, activities that are added to, deleted or substantially changed from the application to the state. Substantially changed is defined in terms of purpose, scope, location or beneficiaries defined by the state established criteria.

    g. Providing citizens, the address, phone number and acceptable hours for submitting complaints and grievances and providing timely written responses to written complaints and grievances within 15 working days where practicable.

SPECIAL REQUIREMENTS AND ASSURANCES.

9. The Applicant will comply with the administrative requirements of the program, those applicable items in the Consolidated Plan, Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and 24 CFR Part 570 (including parts not specifically cited below), and the following laws, regulations and requirements, both federal and state, as they pertain to the design, implementation and administration of the local project, if approved:

    CIVIL RIGHTS AND EQUAL OPPORTUNITY PROVISIONS

- Public Law 88-352, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d), et. seq.) (24 CFR Part 1)
- Section 109 of the Housing and Community Development Act of 1974, As Amended
- Age-Discrimination Act of 1975, As Amended (42 U.S.C. 6101, et. seq.)
- Section 504 of the Rehabilitation Act of 1973, As Amended (29 U.S.C. 794) and the Americans with Disability Act
- Executive Order 11246, As Amended
- Executive Order 11063, As Amended by Executive Order 12259 (24 CFR Part 107)

ENVIRONMENTAL STANDARDS AND PROVISIONS

- Section 104(f) of the Housing and Community Development Act of 1974, As Amended
- Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831) and the Implementing Regulations found at 24 CFR Part 35
- The National Environmental Policy Act of 1969 (42 U.S.C. Section 4321, et. seq., and 24 CFR Part 58)
- The Clean Air Act, As Amended (42 U.S.C. 7401, et. seq.)
- Farmland Protection Policy Act of 1981, (U.S.C. 4201, et. seq.)
- The Endangered Species Act of 1973, As Amended (16 U.S.C. 1531, et. seq.)
- The Reservoir Salvage Act of 1960 (16 U.S.C. 469, et. seq.), Section 3 (16 U.S.C. 469 a-1), As Amended by the Archaeological and Historic Preservation Act of 1974
- The Safe Drinking Water Act of 1974 [42 U.S.C. Section 201, 300(f), et. seq., and U.S.C. Section 349 as Amended, particularly Section 1424(e) (42 U.S.C. Section 300H-303(e)]
- The Federal Water Pollution Control Act of 1972, As Amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. Section 1251, et. seq.)
- The Solid Waste Disposal Act, As Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.)
- The Fish and Wildlife Coordination Act of 1958, As Amended, (16 U.S.C. Section 661, et. seq.)
- EPA List of Violating Facilities
- HUD Environmental Standards (24 CFR, Part 51, Environmental Criteria and Standards and 44 F.R. 40860-40866, July 12, 1979)
- The Wild and Scenic Rivers Act of 1968, As Amended (16 U.S.C. 1271, et. seq.)
- Flood Insurance
- Executive Order 11988, May 24, 1978: Floodplain Management (42 F.R. 26951, et. seq.)
- Executive Order 11990, May 24, 1977: Protection of Wetlands (42 F.R. 26961, et. seq.)
- Environmental Protection Act, NEB. REV. STAT. 81-1501 to 81-1532 (R.R.S. 1943)
- Historic Preservation

LABOR STANDARDS AND PROVISIONS

- Section 110 of the Housing and Community Development Act of 1974, As Amended
- Fair Labor Standards Act of 1938, As Amended, (29 U.S.C. 102, et. seq.)
- Davis-Bacon Act, As Amended (40 U.S.C. 276-a - 276a-5); and Section 2; of the June 13, 1934 Act., As Amended (48 Stat. 948.40 U.S.C. 276(c), popularly known as The Copeland Act
- Contract Work Hours and Safety Standards Act (40 U.S.C. 327, et. seq.)
- Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701(u)]

FAIR HOUSING STANDARDS AND PROVISIONS

- Section 104(a)(2) of the Housing and Community Development Act of 1974, As Amended Public Law 90-284, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601, et. seq.). As Amended by the Fair Housing Amendments Act of 1988
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, As Amended (42 U.S.C. 4630) and the Implementing Regulations Found at 49 CFR Part 24
- Relocation Assistance Act, NEB. REV. STAT. 76-1214 to 76-1242 (R.S. Supp. 1989)
- Nebraska Civil Rights Act of 1969 20-105 to 20-125, 48-1102 and 48-1116
- Uniform Procedures for Acquiring Private Property for Public Use, NEB. REV. STAT. 25-2501 to 25-2506 (R.R.S. 1943)

ADMINISTRATIVE AND FINANCIAL PROVISIONS

- 78 FR 78589 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Cost Principles”
- 78 FR 78589 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards “Administrative Requirements”

- 24 CFR 570.503 - Grant Administration Requirements for Use of Escrow Accounts for Property Rehabilitation Loans and Grants
- 24 CFR 570.488 to 570.499a - States Program: State Administration of CDBG Nonentitlement Funds
- Community Development Law, NEB. REV. STAT. 18-2101 to 18-2144 (R.S. Supp. 1982)
- Public Meetings Law, NEB. REV. STAT. 18-1401 to 18-1407 (R.R.S. 1943)
- 24 CFR Subtitle A (4-1-98 Edition) – 85 referenced as 2 CFR Part 200 Administrative requirements for grants and cooperative agreements to State, local and federally recognized Indian tribal governments

MISCELLANEOUS.

- Hatch Act of 1938, As Amended (5 U.S.C. 1501, et. seq.)

Applicant hereby certifies that it will comply with the above stated assurances.

____
Chief Elected Official Signature

____
Chief Elected Official Printed Name, Title

____
Date

Subscribed in my presence and sworn to before me:

____

____

____
Notary Public (Not required if on letterhead)

EXHIBIT 15

RESIDENTIAL ANTI-DISPLACEMENT & RELOCATION ASSISTANCE PLAN

INSTRUCTIONS: A Residential Anti-Displacement & Relocation Assistance Plan is required as part of the joint application process. The Residential Anti-Displacement & Relocation Assistance Plan must be **printed on the local unit of government's (or other eligible entity's) letterhead or notarized.** Below is the template to be completed to reflect the applicant's information.

RESIDENTIAL ANTI-DISPLACEMENT & RELOCATION ASSISTANCE PLAN

The [Name of the Local Government Unit or other eligible entity] will replace all occupied and vacant occupiable low-moderate-income dwelling units demolished or converted to a use other than as low- and moderate-income housing as a direct result of activities assisted with Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided under the Housing and Community Development Act of 1974, as amended; Cranston-Gonzalez Affordable Housing Act of 1990 (HOME Program); Housing Trust Fund (HTF) funds provided under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

All replacement housing will be provided within three (3) years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the [Name of the Local Government Unit or other eligible entity] will make public and submit to DED the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low-moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low-moderate-income dwelling unit for at least ten (10) years from the date of initial occupancy.

The [Name of the Local Government Unit or other eligible entity] will provide relocation assistance, according to either the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) or 24 CFR 570.496a(c) to each low/moderate-income family displaced by the demolition of housing, or the conversion of a low-moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the CDBG-DR/HOME/HTF program, the [Name of the Local Government Unit or other eligible entity] will take the following steps to minimize the displacement of persons from their homes:

1. Maintain current data on the occupancy of houses in areas targeted for CDBG-DR/HOME/HTF assistance.
2. Review all activities prior to implementation to determine the effect, if any, on occupied residential properties.
3. Include consideration of alternate solutions when it appears an assisted project will cause displacement, if implemented.
4. Require private individuals and businesses to consider other alternatives to displacement causing activities, if they are requesting CDBG-DR/HOME/HTF assistance.

Signed ____________________________________

(Chairperson, President, or other Authorized Person of Organization)

Title ____________________________

Subscribed in my presence and sworn to before me.

Date ____________________________

____

Notary Public (Not required if on letterhead)

EXHIBIT 16

APPLICANT CERTIFICATION FORM FOR NON-PROFITS AND HOUSING AUTHORITIES

(Required Format)

WHEREAS, (Name of Applicant) (the “Applicant”) is applying to the State of Nebraska for assistance from HOME/CDBG-DR/HTF Programs; and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

THEREFORE, APPLICANT certifies as follows:

1. APPLICANT is eligible for award under state statutes and program guidelines and agrees to comply with all applicable federal, state and local regulations in the event that this application is selected for funding.
2. APPLICANT will minimize displacement as a result of activities assisted with HOME/CDBG-DR/HTF resources and assist persons displaced as a result of such activities as specified by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 49 CFR part 24. The more limited requirements of Section 104(d) of Housing and Community Development Act of 1974 are more detailed as to policy, definitions and requirements listed in 24 CFR 570.606.
3. APPLICANT has previously adopted, on_____, _____, Procurement Procedures that remain in effect. The procurement procedures were submitted to NDED on_____, _____.
4. APPLICANT will actively market in an on-going manner all housing units and services funded through HOME/CDBG-DR/HTF Programs.
5. APPLICANT is prepared and has the authority within its charter or by-laws or through statutory regulations to enter into a contractual agreement with the Nebraska Department of Economic Development for acceptance and use of HOME/CDBG-DR/HTF Program funds, and makes this application and these certifications with the full cognizance (and approval) of its governing body.
6. There are no significant unresolved audit findings relating to any prior grant award from the federal and/or state government, which would adversely affect the administration of this grant.
7. No legal actions are underway or being contemplated that would significantly impact the Applicant’s capacity to effectively administer the program, and to fulfill the HOME/CDBG-DR/HTF programs; and
8. No project costs have been incurred which the Department has not approved in writing.

____

Signed by Chairperson, President or Authorized Person of Organization

Title _____ Date: _____

EXHIBIT 17

AUTHORIZING RESOLUTION FOR NON-PROFITS AND HOUSING AUTHORITIES

(Required Format)

RESOLUTION NO. _____

A resolution of the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) authorizing the submission of an application(s) for 20__ HOME Investment Partnership (HOME)/Community Development Block Grant-Disaster Recovery (CDBG-DR)/National Housing Trust Fund (HTF), certifying that said application(s) meets the community's housing and community development needs and the requirements of the HOME/CDBG-DR/HTF program, and authorizing all actions necessary to implement and complete the activities outlined in said application.

WHEREAS, the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) is desirous of undertaking affordable housing development activities; and

WHEREAS, the State of Nebraska is administering the HOME/CDBG-DR/HTF program; and

WHEREAS, the HOME/CDBG-DR/HTF Program requires that funds benefit low-income households; and

WHEREAS, the activity in the application addresses the proposed project area's low-income population housing needs; and

WHEREAS, a recipient of HOME/CDBG-DR/HTF Program is required to comply with the program guidelines and State regulations.

NOW, THEREFORE BE IT RESOLVED THAT the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) authorize application to be made to the State of Nebraska, Department of Economic Development for 20__ HOME/CDBG-DR/HTF Program, and authorize (NAME AND POSITION OF INDIVIDUAL) to sign application and contract or grant documents for receipt and use of these funds, and authorize the (NAME AND POSITION OF INDIVIDUAL) to take all actions necessary to implement and complete the activities submitted in said application(s); and

THAT, the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) will comply with all State regulations and HOME/CDBG-DR/HTF Program policies.

Passed and adopted by the (AUTHORIZING BOARD) of (NAME OF ORGANIZATION) this _____ day of_____, 20__.

____

Signed by Chairperson, President or Authorized Person of Organization

Title _____ Date: _____

EXHIBIT 18

CERTIFICATION OF RENTAL PROJECT FEDERAL ASSISTANCE FORM

(Required Format)

WHEREAS, _____ (the "Applicant") is applying to the State of Nebraska for assistance from the HOME Investment Partnership (HOME) Community Development Block Grant-Disaster Recovery (CDBG-DR) or National Housing Trust Fund (HTF) Program to finance a portion of the project costs for _____ (the "Project"); and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the project requirements;

THEREFORE, APPLICANT certifies as follows:

1. PROJECT is eligible for award under state statutes and HOME/CDBG-DR/HTF application guidelines.
2. PROJECT will receive additional financing at the time of application or in the future from the following governmental assistance_____. (if none, please indicate)
3. APPLICANT will notify the Nebraska Department of Economic Development within 30 days of the applicant's knowledge of actual or potential changes in governmental assistance. Amended financing and budget forms submitted with the application affected by the change in other governmental assistance and the type and amount of assistance will be provided. In addition, applicant understands that any such changes may result in the non-selection of the application, termination or amendment of a contractual agreement with the department, significant delay in the DED approval of the project to proceed, and/or significant delay of pending Requests for DED Funds.
4. APPLICANT is prepared and has the authority within its charter or by-laws or through statutory regulations to enter into a contractual agreement with the Nebraska Department of Economic Development for acceptance and use of HOME/CDBG-DR/HTF Program funds, and makes this application and these certifications with the full cognizance (and approval) of its governing body.

____

Signed by Chairperson, President or Authorized Person of Applicant

Title _____ Date: _____

EXHIBIT 19

System for Award Management Documentation

INSTRUCTIONS: The submission of the System for Award Management (SAM) documentation is required for all CDBG applicants and associated entities as identified in the CDBG Application Guidelines Part II, Section 1.03. Documentation to be provided includes 1) SAM Registration and 2) Exclusion Status.

To access SAM: www.sam.gov

For those applications that involve additional entities:

- For-Profit Business: Both the business and the business owner need to be reviewed within SAM. The business owner does not need to be registered within SAM; however, documentation must be provided that indicates that the business owner is not excluded from receiving federal funds.

  In addition, applications that involve a for-profit business must provide documentation for the Non-Profit Development Organization (NDO) associated with the application. The NDO must be registered within SAM and demonstrate that they are not excluded from receiving federal funds.

- Non-Profit Entity: The non-profit organization must be registered within SAM and demonstrate that they are not excluded from receiving federal funds.

The following are instructions to access the documentation based on the user type:

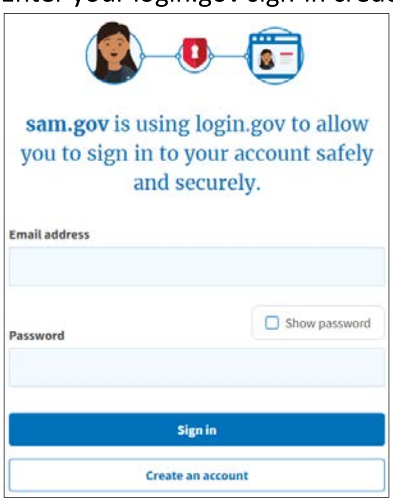
- Not the Entity Owner: an individual who did not set up the account within the SAM system.
- Entity Owner: the representative tasked with setting up the account within the SAM system.

Instructions: Not the Entity Owner

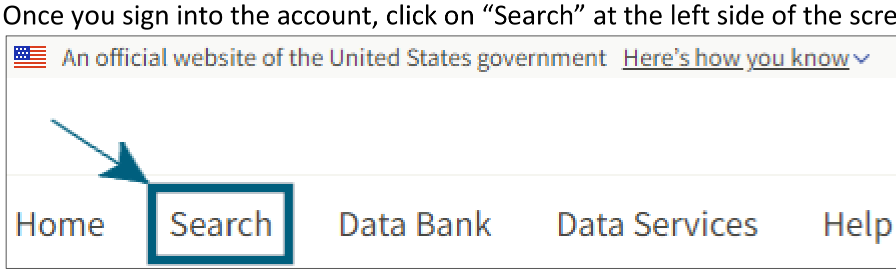
Go to sam.gov and click on “Sign In” on the right side of the screen

Accept the terms to sign into the site

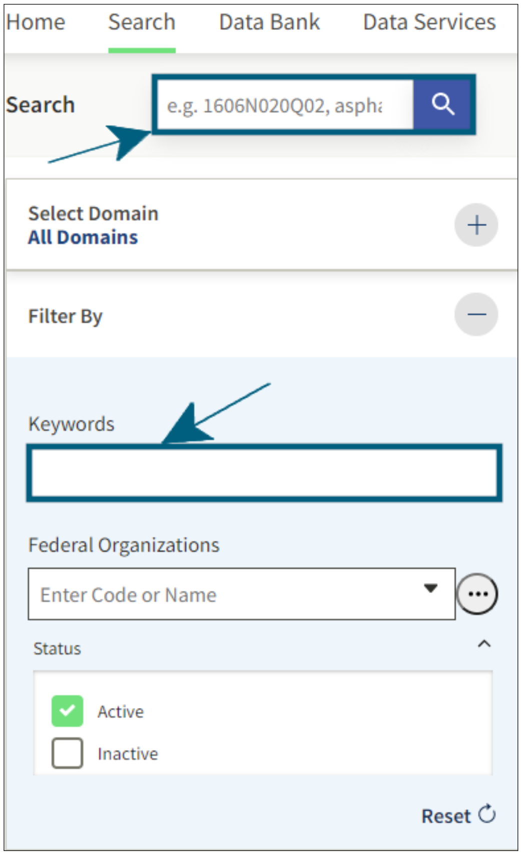
Enter your login.gov sign-in credentials, if you do not have sign-in credentials, please create an account



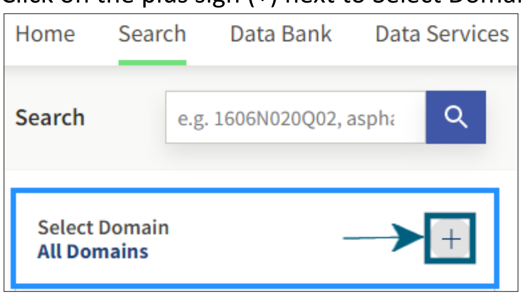
Once you sign into the account, click on “Search” at the left side of the screen.



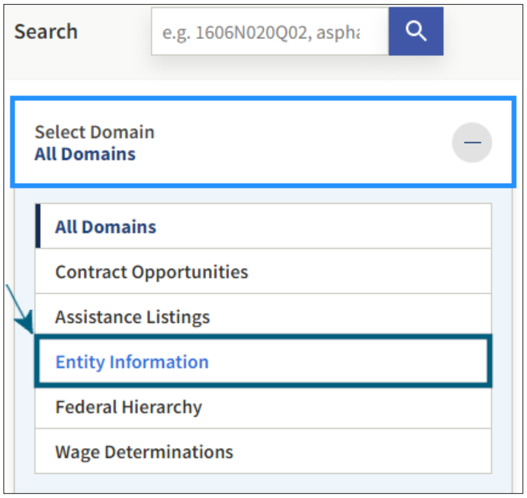
Either type the name of the organization in the top Search Box or the Keywords box.



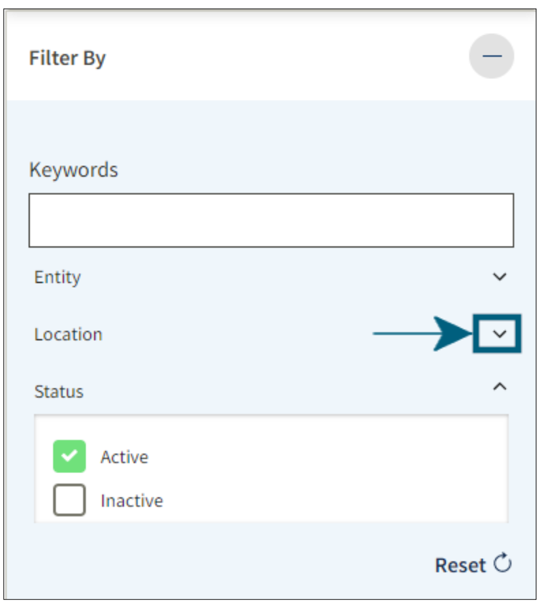
Click on the plus sign (+) next to Select Domain

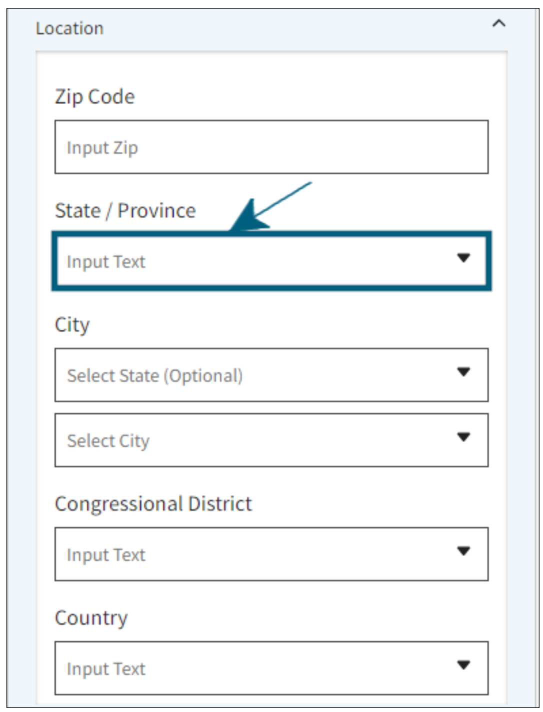


Click on “Entity Information in the drop down

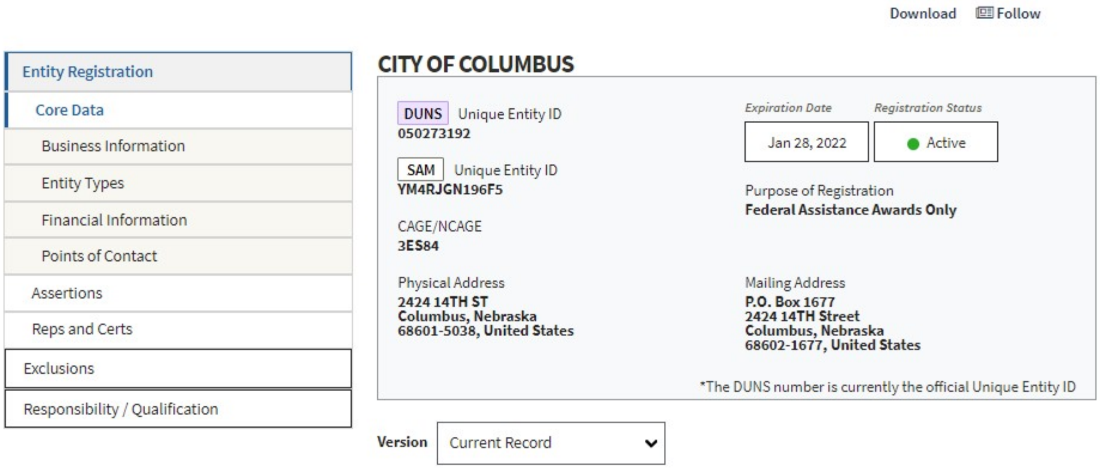


If the location area is not expanded, click on the drop down arrow next to location. Under State / Province, enter Nebraska in the "Input Text" box.

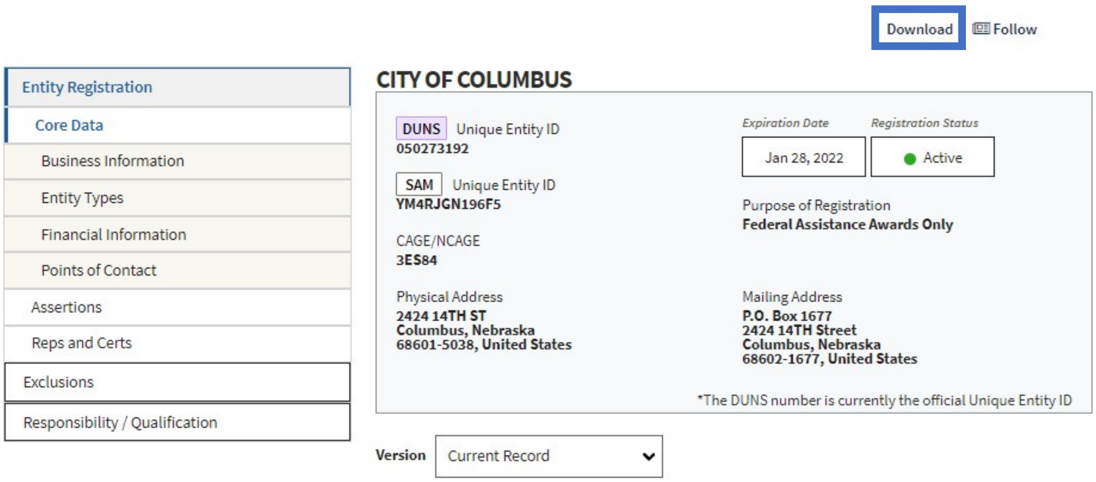




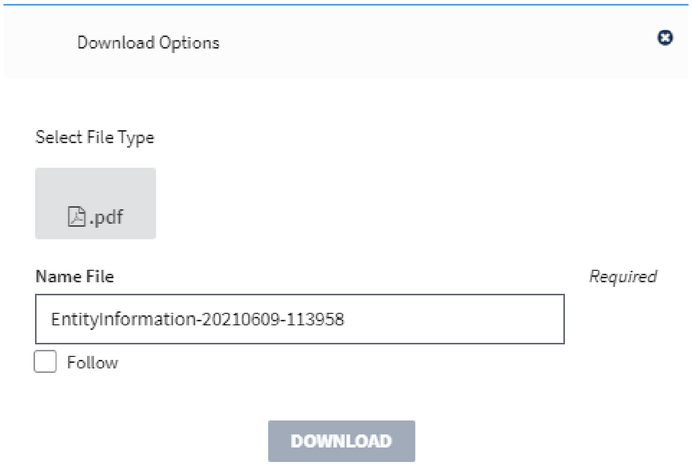
Select the result, the following screen will populate:



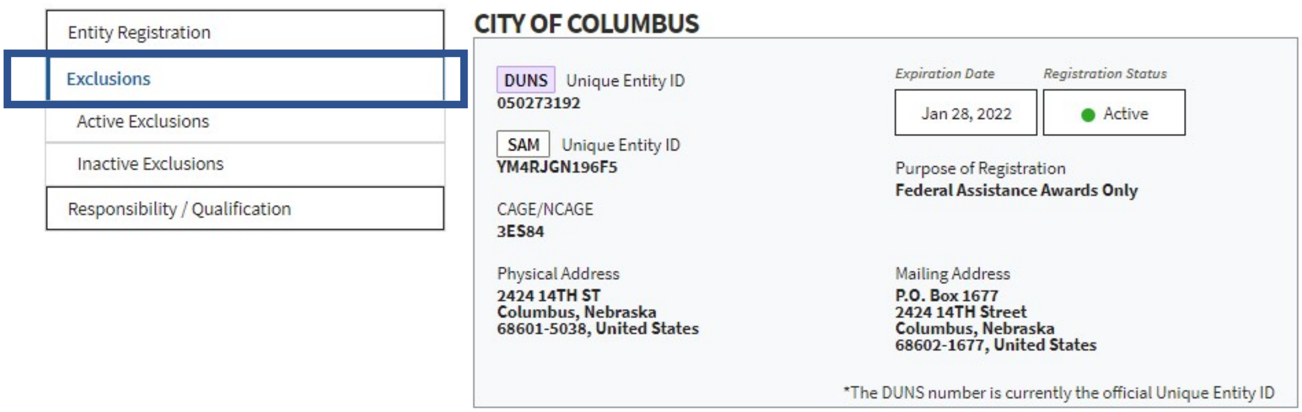
Click on "Download"



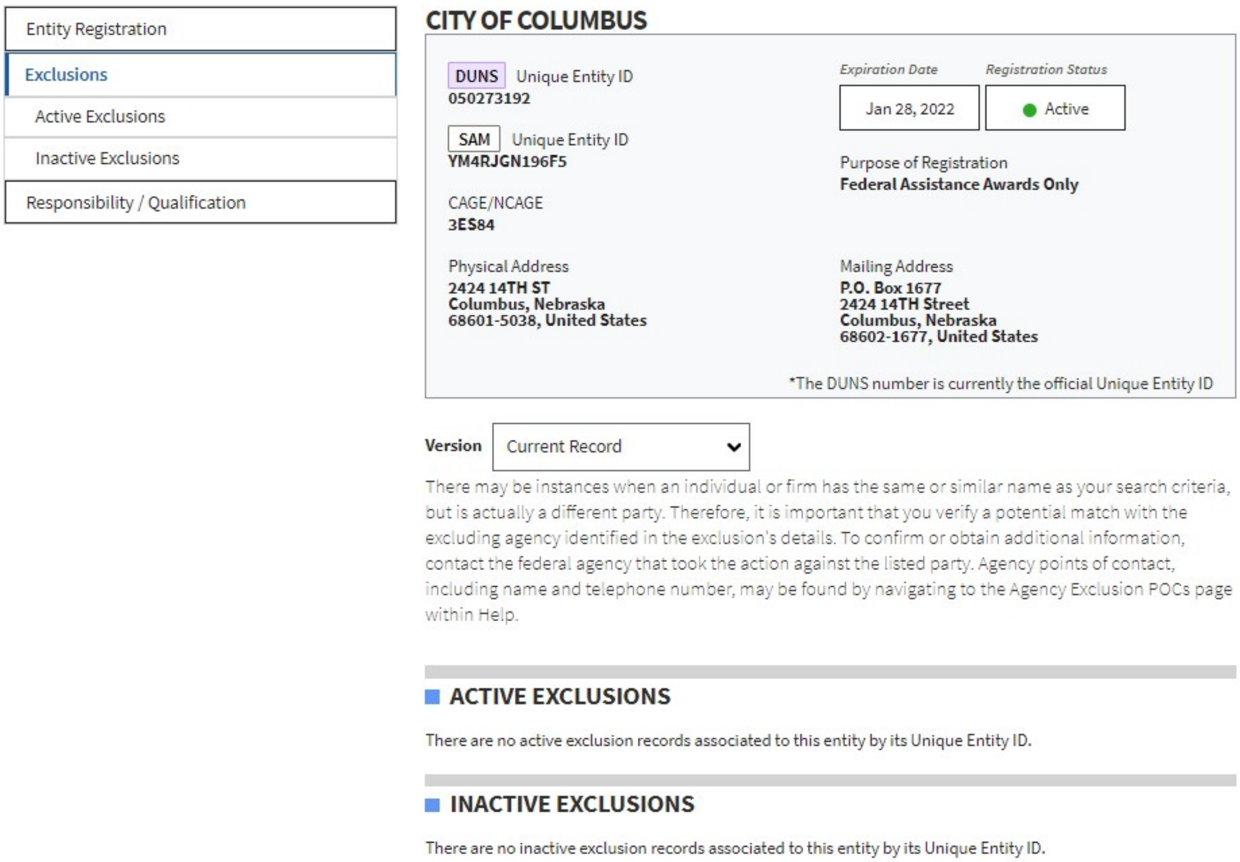
Select the file type, enter the file name, then click on the download button. For example, if your entity was DED, type DED-20210526, then click on the PDF file type, then click on the download button. Depending on your browser, it should ask you to save the PDF file. **This download documents the registration of the entity.**



To document the status of exclusions, select



Then save the following screen and upload to AmpliFund (the user will need to capture the screen):

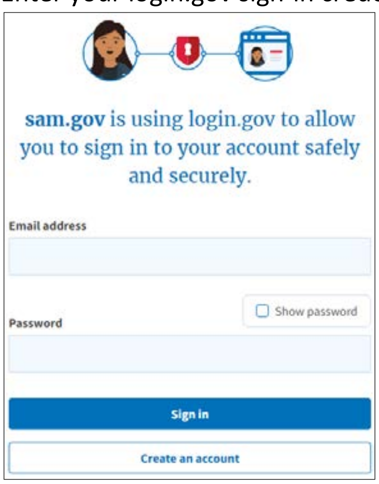


Instructions: Entity Owner

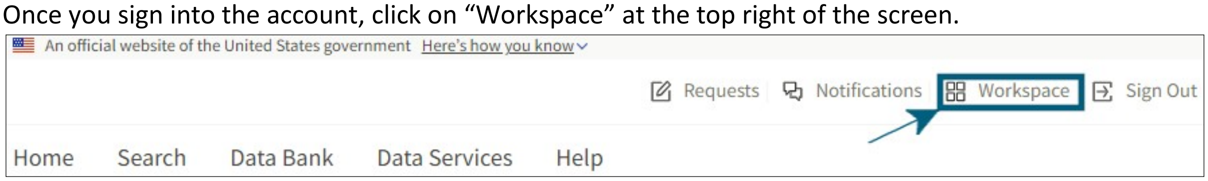
Go to sam.gov and click on "Sign In" on the right side of the screen

Accept the terms to sign into the site

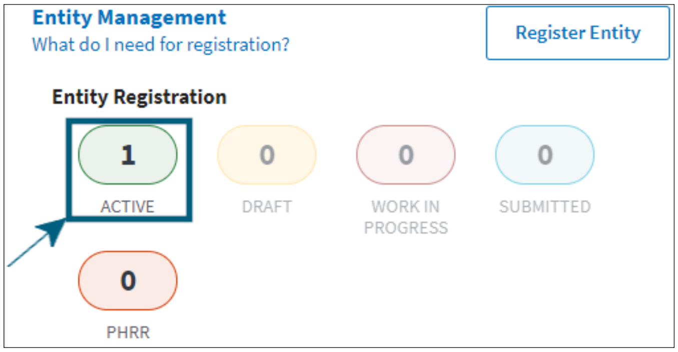
Enter your login.gov sign-in credentials, if you do not have sign-in credentials, please create an account



Once you sign into the account, click on "Workspace" at the top right of the screen.



Click on the Active Entity registrations.



Once your organization populations, click on the three vertical dots on the right side of the screen.

Click on "View Record"

Click on "Download"

Enter the name of your entity in the name file and the date you downloaded the file. For example, if your entity was DED, type DED-20210526, then click on the PDF file type, then click on the download button. Depending on your browser, it should ask you to save the PDF file.

EXHIBIT 105

VERIFICATION OF ZONING

(Applicable Local Jurisdiction Letterhead)

Nebraska Investment Finance Authority

Suite 200

1230 O Street

Lincoln, NE 68508-1402

Development Name:

Development Address/Site:

Development City:

Proposed Number of Units:

Housing Type:

The site for the above-described low-income housing tax credit development is zoned______. The zone allows for residential development of (multifamily)/(single-family) housing. This zoning designation allows ______ units per acre.

The proposed low-income tax credit development does/does not require a Conditional Use Permit/Variance/Density Bonus to be in compliance with local code.

If City Council or Board of Supervisors approvals are required prior to issuance of building permits, in addition to those listed above, please describe. Denote if the approvals are technical or discretionary in nature.

Zoning Ordinance No. ______ allows the development of the affordable housing developments as described above. Attach a copy of the Ordinance to this letter.

Dated: ______

STATEMENT COMPLETED BY:

By ____

Printed Name ________________________________

Title ____

EXHIBIT 108

INVESTOR INTEREST/COMMITMENT FORM

Development Name:

Name of Investor for federal LIHTC:

Address:

Contact Person:

Anticipated Amount of Annual LIHTC: Price per LIHTC:

Assumptions:

Other sources of funding:

Reserve Requirements:

I certify the above ☐ commitment ☐ letter of interest (please check one)
is valid until (date):

Execution of this form confirms that we have reviewed Exhibit 111 and the development's proforma, financial statement, other financial projections and LIHTC assumptions meet or exceed the investor's underwriting guidelines.

__________________________ _______________

Investor Signature Date of signature

Accepted:

__________________________ _______________

Applicant/Owner Representative Signature Date of signature

EXHIBIT 109

CONSTRUCTION/INTERIM FINANCING FORM

Development Name:

Name of Construction Lender:

Address:

Contact Person:

Construction Loan Amount:

Interest Rate:

Loan Term:

Name of Borrower:

Loan Fees:

Required Collateral:

I certify the above ☐ *commitment* ☐ *letter of interest (please check one)*

is valid until (date):

____________________________ _______________

Lender Signature Date of signature

Accepted:

____________________________ _______________

Applicant/Owner Representative Signature Date of signature

EXHIBIT 110

PERMANENT FINANCING FORM

Development Name:

Name of Permanent Lender:

Address:

Contact Person:

Permanent Loan Amount:

Interest Rate:

Loan Term:

Name of Borrower:

Debt Service Coverage Ratio:

Amortization Period:

Loan Fees:

Required Collateral:

Required Reserves:

I certify the above ☐ commitment ☐ letter of interest (please check one)

is valid until (date):

______________________________ ________________

Lender Signature Date of signature

Accepted:

______________________________ ________________

Applicant/Owner Representative Signature Date of signature

EXHIBIT 111

DEVELOPMENT WORKSHEETS

Complete this Exhibit and attach as Exhibit 111 to the online funding application.

Complete the Development Worksheets, including the following tabs by opening the file below:

- ✶ Unit Information
- ✶ Income Averaging Worksheet (if applicable)
- ✶ AMI Worksheet
- ✶ Operating Expenses
- ✶ Development Cost Schedule
- ✶ Equity Gap
- ✶ Efficient Housing Production
- ✶ Proforma 20 Year
- ✶ Proforma 30 Year (if applicable)

Right click on the hyperlink below to access the required format for Exhibit 111.

Complete all yellow-shaded areas.

Exhibit 111.xls

Right click on Hyperlink to open.

EXHIBIT 112

INFORMATION REQUIRED TO BE INCLUDED IN THE MARKET STUDY

The market study must be conducted by an independent, third-party market evaluation professional whose credentials are acceptable to NIFA. The market study must be conducted at the Owner's expense. **The market study must be current (dated no earlier than one year prior to submission of the Application).** The market study shall include the following:

1. A statement of the competence of the market study provider, detailing education and experience of primary author and including a statement of non-interest.
2. Signature of preparer(s) and date the study was completed.
3. Description of the proposed site and neighborhood, including physical attributes of site, surrounding land uses, and proximity to community amenities or neighborhood features including shopping, healthcare, schools, and transportation.
4. A map and photos of the subject site and surroundings showing location of community services.
5. A description of the proposed development, detailing proposed unit mix (number of bedrooms, bathrooms, square footage, proposed rents, AMI level, utility allowances, and any utilities included in rent), proposed unit features and community amenities, and target population including age restrictions and/or special needs populations.
6. Demographic analysis of the number of eligible households in the market area that are part of the target market, income eligible, and can afford the proposed rent.
7. Analysis of household sizes and types in the market area, including households by tenure, income, and persons per household.
8. A description of rent levels and occupancy rates in existing comparable developments in the market area, segmented by property type and with rents adjusted to account for utility differences and concessions or other incentives. Such description should include all existing LIHTC developments in the primary market area and any planned additions to the rental housing stock, including any recently approved LIHTC developments.
9. Review of population characteristics and projected trends.
10. Review of employment and economic development characteristics, including a list of major employers and labor force employment and unemployment trends over the past 5-10 years.

11. Geographic definition and analysis of market area, including a description of methodology used to define market area and map of market area including proposed site.

12. Analysis of operating expenses of comparable properties in the market area.

13. Expected market absorption of proposed development, including capture/penetration rate analysis of target populations.

14. A description of the effect on the market area, including the impact on LIHTC and other existing affordable rental housing.

15. Indicate whether or not the proposed development meets the identified housing needs of the community’s overall housing plan.

16. A written narrative on the assumptions and methods used in the market study, including data sources.

EXHIBIT 114

CAPITAL NEEDS ASSESSMENT ("CNA") REQUIRED INFORMATION

(Rehabilitation and Adaptive Reuse Developments Only)

The CNA must include a signed statement from a licensed professional architect or engineer that performed the CNA that (a) the CNA meets the requirements of this *Exhibit 114*, (b) the information included is accurate and (c) the CNA can be relied upon by NIFA to present a true assessment of the proposed rehabilitation budget and immediate repairs required at the property. NIFA may determine any CNA to be unsatisfactory and/or may require additional information at the sole expense of the Applicant.

1. The CNA shall examine and analyze the following building components:

    - All infrastructure including, but not limited to site, topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, storm drainage, gas and electric utilities;
    - Structural systems, both substructure (i.e., footings and foundations) and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage;
    - Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets, and appliances, unit bathroom finishes and fixtures and common area lobbies and corridors;
    - Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, and fire protection;
    - Elevators;
    - Trash removal systems;
    - Clubhouse (if applicable);
    - Storage areas (if applicable); and
    - Parking structures (if applicable).

2. The CNA shall address the following for the building(s) prior to the proposed rehabilitation:

    - Critical Repair Items: All health and safety deficiencies, or violations of housing quality standards, requiring immediate remediation. If the Development has tenants, these repairs are to be made a first priority.

    - Two-Year Physical Needs: Repairs, replacements and significant deferred and other maintenance items that need to be addressed within 24 months of the date of the CNA. Include any necessary redesign of the Development and market amenities needed to restore the property to the standard outlined in the application. These repairs are to be included in the Development budget and funded by construction-period sources of funds.

- Long-Term Physical Needs: Repairs and replacements beyond the first two (2) years that are required to maintain the Development's physical integrity over the next twenty (20) years, such as major structural systems that will need replacement during the period. These repairs are to be funded from the reserves for replacement account.

- Analysis of Reserves for Replacement: An estimate of the initial and monthly deposit to the reserves for replacement account needed to fund long-term physical needs, accounting for inflation, the existing reserves for replacement balance and the expected useful life of major building systems. This analysis should not include the cost of the critical repair items, the two-year physical needs or any work items that would be treated as operating expenses.

3. The professional preparing the CNA must:

   (a) Be a licensed architect or mechanical/structural engineer.

   (b) Conduct site inspections of all occupied and vacant units.

   (c) Identify any physical deficiencies as a result of (i) visual survey, (ii) review of pertinent documentation and (iii) interviews with the property owner, management staff, tenants, community groups and government officials.

   (d) Identify physical deficiencies, including critical repair items, two-year physical needs and long-term physical needs. These should include repair items that represent an immediate threat to health and safety and all other significant defects, deficiencies, items of deferred maintenance and material building code violations that would limit the expected useful life of major components or systems.

   (e) Explain how the Development will meet the requirements for accessibility to persons with disabilities. Identify the physical obstacles and describe methods to make the Development more accessible and list needed repair items in the rehabilitation plan.

   (f) Prepare a rehabilitation plan, addressing separately all two-year and long-term physical needs.

   (g) Prepare a replacement reserve schedule, including an estimate of the initial and annual deposits, accounting for inflation and based on a 20-year term.

   (h) Determine the cost/benefit of each significant work item in the rehabilitation plan (items greater than $5,000) that represents an improvement or upgrade that will result in reduced operating expenses (e.g., individual utility metering, extra insulation, thermo-pane windows, setback thermostats). Compare the cost of the time with the long-term impact on rent and expenses, taking into account the remaining useful life of building systems.

EXHIBIT 115

TEN YEAR RULE

(Form of Legal Opinion)

[DATE]

Nebraska Investment Finance Authority
Suite 200
1230 O Street
Lincoln, NE 68508

Re: [PROJECT NAME]

Dear Ladies and Gentlemen:

We are providing this opinion in connection with the application by [NAME] for low income housing tax credits for the property known as [PROPERTY NAME] (the “Property”).[1] Specifically, this opinion addresses whether the “acquisition credit” under Section 42(b)(1)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), will be available with respect to the purchase of the Property. We understand that the [NAME OF OWNER] (the “Current Owner”) acquired the Property on [DATE] from [NAME] (the “Prior Owner”) and intends to sell the Property to a newly formed limited partnership/limited liability company (the “Tax Credit Partnership”).

Factual Information

In providing this opinion, we are relying upon the factual information set forth in the Seller’s Certificate, attached as Exhibit B, dated [DATE] from the Current Owner (the “Seller’s Certificate”).

In preparing this opinion, we have reviewed copies of the Recorded Deed dated [DATE] under which the Prior Owner conveyed title to the Property to the Current Owner.

In addition, in providing this opinion we have made, and the opinions set forth below are based upon, the following assumptions:

1. Neither the Tax Credit Partnership nor the tax credit investor in the Tax Credit Partnership will be related directly or indirectly to the Current Owner in any fashion.

[1] The legal description of the Property is set out on Exhibit A.

2. Neither the Tax Credit Partnership, the tax credit investor in the Tax Credit Partnership nor any affiliate of the Current Owner will have ever owned an interest in the Property except as described in this opinion.

Finally, we have reviewed such other documents and materials as we believe appropriate.

<u>Opinion</u>

Section 42(b)(1)(B) of the Code allows a tax credit for the acquisition of an existing building (the "Acquisition Credit") if the requirements of Code Section 42(d)(2)(B) are satisfied. These requirements are as follows: (i) the building was acquired by "purchase" (as defined in Code Section 179(d)(2)), (ii) there is a period of at least ten (10) years between the date of its acquisition by the taxpayer or the building meets the requirements under Section 42(d)(6)(A) of the Code, (iii) the building was not previously placed in service by the taxpayer or by any person who was a related person to the taxpayer as of the time previously placed in service, and (iv) the taxpayer's rehabilitation expenditures are sufficient in the amount to qualify for treatment under Section 42(e) of the Code as a separate new building. Section 42(d)(6) of the Code provides an exception to the Ten Year Rule (the "Federally Financed Exception") for properties that are substantially financed, operated or assisted under Section 8 of the U.S. Housing Act of 1937, Sections 221(d)(3), (d)(4) or 236 of the National Housing Act, Section 515 of the Housing Act of 1949 or any other housing program administered by HUD or the Rural Housing Service of the Department of Agriculture or any similar state housing program. [The Project is expected to satisfy the Federally Financed Exception.]

Code Section 42(d)(2)(D)(ii) provides that in order for a building to have been "acquired by purchase," the property must not have been acquired from a seller whose relationship to the buyer of the property will result in the disallowance of losses under Section 267 or 707(b) of the Code. In addition, the property must not have been acquired by one component member of a controlled group from another component member of the same controlled group and the basis of the property in the hands of the buyer must not be determined by reference to the adjusted basis of the property in the hands of the seller (Code Section 42(d)(2)(D)(ii) and 42(d)(2)(B)(iii)). Furthermore, the property cannot have been acquired from a decedent by a person whose basis in the building is determined by reference to Section 1014(a) of the Code.

In addition to the building purchase requirement, Section 42(d)(2)(B)(iii) of the Code provides that a building eligible for the Acquisition Credit cannot have been "previously placed in service by the taxpayer or by any person who is a related person with respect to the taxpayer as of the time previously placed in service." Section 42(d)(2)(D)(ii)) of the Code provides that for purposes of applying this test, "a person (hereinafter in this subclause referred to as the "related person") is related to any person if the related person bears a relationship to such persons specified in Code Section 267(b) or 707(b)(1), or the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of Code Section 52).

The definition of a related person under Code Section 267(b) includes an individual and a corporation more than 50% in value of the outstanding stock of which is owned, directly or indirectly, by or for such individual, and a corporation and a partnership if the same person owns more than 50% in value of the outstanding stock of the corporation and more than 50% of the capital interest, or the profits interest, in the partnership. In applying these related party rules, Code Section 267(c) provides that in determining the ownership of stock, stock owned directly or indirectly by or for a corporation, partnership, estate, or trust shall be considered as being owned proportionately by or for its shareholders, partners, or beneficiaries and that an individual shall be considered as owning the stock owned, directly or indirectly, by or for his family. Section 707(b) of the Code relates to certain sales or exchanges of property with respect to controlled partnerships and defines the related party relationship as "(A) a partnership and a person owning, directly or indirectly, more than 50% of the capital interest, or the profits interest, in such partnership, or (B) two partnerships in which the same persons own, directly or indirectly, more than 50% of the capital interests or profits interests."

The Project was **[will be]** acquired by the Tax Credit Partnership by purchase on **[DATE]**, from the Current Owner, an **[STATE] [ENTITY]**, for **[$AMOUNT]** pursuant to a Purchase and Sale Agreement by and between the Current Owner and the Tax Credit Partnership, a **[STATE] [ENTITY]**, dated as of **[DATE]**. As evidenced by the Partnership Certification dated **[DATE]** (the "**<u>Partnership Certification</u>**"), and the Seller's Certification as to Ten-Year Ownership dated **[DATE]** (the "**<u>Seller's Certification</u>**"), the Current Owner and the **[General Partner]** have represented that the Current Owner is not a related party to the [General Partner]. The Current Owner also has represented that during the ten (10) -year period prior to **[DATE]**, the Current Owner has owned and held fee simple title to the Project.

[The Project is expected to satisfy the Federally Financed Exception.] [Based on the Seller Certification, the Current Owner has held the Project for at least ten years.] In addition, the Project has been acquired by purchase and the rehabilitation expenditures are projected to satisfy the requirements of Section 42(e) of the Code. Based upon the foregoing, and subject to the limitations and qualifications set forth in this opinion, in our opinion the purchase of the Property by the Tax Credit Partnership in the manner described above should satisfy the requirements for the Acquisition Credit with respect to the allocable portion of the purchase price paid for the buildings located on the Property.

This opinion is based upon the existing provisions of the Code, applicable Treasury Regulations, and judicial and administrative interpretations of those authorities. Treasury Regulations have not been issued under, and there is little or no other authority interpreting, many of the provisions of the Code governing issues addressed in this opinion. Our opinion represents our legal judgment concerning the application of the pertinent provisions of federal income tax law to the facts relating to the Property, and is not binding on the Internal Revenue Service or the courts. Changes in the facts or the applicable law could cause our conclusions to no longer apply.

We are providing this opinion for submission to the Nebraska Investment Financing Authority (“NIFA”) in connection with an application for low-income housing tax credits for the building(s) located on the Property. NIFA may rely on this opinion for that purpose, but no other person may rely on this opinion for any purpose without our consent.

Sincerely,

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT 116

AHTC INVESTOR INTEREST/COMMITMENT FORM

Development Name:

Name of Investor for Nebraska AHTC:

Address:

Contact Person:

Anticipated Amount of Annual AHTC:

Price per AHTC:

Assumptions:

Other sources of funding:

Reserve Requirements:

I certify the above ☐ commitment ☐ letter of interest (please check one)

is valid until (date):

Execution of this form confirms that the development's proforma, financial statement, other financial projects, and LIHTC assumptions meet or exceed the investor's underwriting guidelines.

______________________________ __________

Investor Signature Date of signature

Accepted:

______________________________ __________

Applicant/Owner Representative Signature Date of signature

EXHIBIT 205

HOUSING AUTHORITY REFERRAL ARRANGEMENT

In connection with ______'s (the "Applicant") application for an allocation of low-income housing tax credits, the Applicant hereby agrees upon the conditions that the Applicant receives an allocation of low-income housing tax credits ("LIHTCs") from the Nebraska Investment Finance Authority, and the development is constructed, as follows:

If the Local Housing Authority (the "Authority") in the jurisdiction in which the Applicant's Development is located maintains a public housing waiting list, the Applicant agrees:

1. To notify the Authority when target units, designated in the Applicant's application for LIHTCs, become available for rent. Such notice shall be given by telephone, facsimile or other immediate method and confirmed in writing to the Authority. The notice shall include information describing the location, size, type and rent for the unit.
2. For a period of seven days from the time notice is received by the Authority, the Applicant shall receive and process applications for the unit from persons on the public housing waiting list of the Authority who submit an application to the Applicant and shall not advertise or seek renters from other sources during such period. The Applicant, however, shall be under no obligation to consider a rental application from other than a low-income tenant under the provisions of the LIHTC program and Section 42 of the Internal Revenue Code.
3. It is expressly understood:
   (a) That the Applicant shall have the final authority to accept tenants into the Development pursuant to the fair housing laws applicable to the Development and the rules and regulations applied to all tenants; and
   (b) That the Applicant is not required to lease units to unqualified tenants pursuant to the rules applicable to the Development and under the provisions of Section 42 of the Internal Revenue Code.
4. The Applicant acknowledges that this agreement shall be recorded as part of the restrictive covenants and Land Use Restriction Agreement binding the Applicant, and his successors in ownership, to perform under this agreement during the effective period of the restrictive covenants.

For the Applicant: ______ Title: ______ Date: ______

Signature of Applicant: ______

Receipt of Agreement Acknowledged by the Authority on______, 20______.

By: ______

Title: ______

Name of Authority: ______

Signature of Authority's Representative: ______

EXHIBIT 206

CERTIFICATION OF EXPERIENCE – APPLICANT AND OWNER AND AUTHORIZATION OF RELEASE OF INFORMATION

Authorization of Release of Information

The Authorization of Release of Information and the Certification of Experience Outside of Nebraska needs to be completed for the developer and owner. These forms will need to be submitted to the appropriate Housing Finance Agency (HFA) for those states each of the above do business in.

Copies of all forms sent (including correspondence to other HFA) needs to be uploaded into Exhibit 205. The Applicant/Owner will need to complete sections I, II, and V. The HFA will need to complete the sections III, IV, and VI of the Certification of Experience Outside of Nebraska and submit to: txcr.multifamily@nifa.org.

List the project(s) which will be submitted to the Nebraska Investment Finance Authority (NIFA) in the upcoming application round.

____

Housing Finance Agency Name and Address

State Agency:	Contact and Title:		
Address:	City:	State:	Zip:
Email Address:			

Certification:
The undersigned hereby authorizes the agency named above to release to NIFA information regarding any low-income housing development that the agency monitors, in which the organization, entity, or individual listed below has participated or is currently participating in.

Organization/Entity/Individual: ______________________

Mailing Address: ______________________

Printed Name and Title: ______________________

Authorized Representative Signature: ______________________

Date: ______________________

Certification of Experience – Applicant and Owner

I. List the Organization/Entity/Individual that is part of the development team that is applying for Low-Income Housing Tax Credits in the State of Nebraska and completing this form (developer and owner):

II. List the name of each proposed development which will be submitted to NIFA in the next application cycle that is listed in Section I above:

Project Name	Applicant	Owner

III. Housing Finance Agency:
Name and Title of Person:

Email Address:

Phone Number: Date:

Housing Finance Agency – Please return this completed document via email to txcr.multifamily@nifa.org

IV. Compliance – Does the organization/entity/individual listed in Section I, have a history of repeated or significant low-income housing tax credit compliance deficiencies or unsatisfactory performance on any development? **Yes or No;**

Does the organization/entity/individual have uncorrected 8823 issues? **Yes or No**

Describe if yes to either of these questions.

V. List the developments in which the applicant has received a conditional reservation.

Project Name	**Project Number**	**Owner Entity Name**	**Tax ID #**	**8609's Issued**

VI. Please provide performance information that would be beneficial for NIFA to know for any program in your state.

EXHIBIT 207

CERTIFICATION OF EXPERIENCE – PROPERTY MANAGEMENT COMPANY AND AUTHORIZATION OF RELEASE OF INFORMATION

Authorization of Release of Information

The Authorization of Release of Information and the Certification of Experience Outside of Nebraska needs to be completed for the property management. These forms will need to be submitted to the appropriate Housing Finance Agency (HFA) for those states in which the property management company does business in.

Copies of all forms sent (including correspondence to other HFA) needs to be uploaded into Exhibit 206. The HFA will need to complete the sections III, IV, V, VI, and VII of the Certification of Experience Outside of Nebraska—Property Management and submit to: txcr.multifamily@nifa.org.

List the project(s) which will be submitted to the Nebraska Investment Finance Authority (NIFA) in the upcoming application round.

____

Housing Finance Agency Name and Address

State Agency:	Contact and Title:		
Address:	City:	State:	Zip:
Email Address:			

Certification:
The undersigned hereby authorizes the agency named above to release to NIFA information regarding any low-income housing development that the agency monitors, in which the property management company listed below has participated or is currently participating in.

Property Management Company: ______________________

Mailing Address: ______________________

Printed Name and Title: ______________________

Authorized Representative Signature: ______________________

Date: ______________________

Certification of Experience – Property Management Company

I. List the Property Management Company (include the number of years of experience) that is part of the development team that is applying for Low-Income Housing Tax Credits in the State of Nebraska and completing this form:

II. List the name of each proposed development, in which the property management company listed in Section I above, will be acting as property manager:

Project Name	**Applicant**	**Owner**

III. Housing Finance Agency:
Name and Title of Person:

Email Address:

Phone Number:

Compliance status as of:

Housing Finance Agency – Please return this completed document via email to txcr.multifamily@nifa.org

IV. Compliance – Has the property management company been issued a violation within the past 36 months?

Violation	Corrected	Non-Corrected

V. List properties that are currently out of compliance.

Property Name	Explain Noncompliance Issue	Out of Compliance Date	Has an 8823 been issued?

VI. Does this property management company have a pattern of noncompliance findings either corrected or non-corrected? Yes No Explain:

VII. Additional information:

EXHIBIT 211

Supportive Services

All supportive services are at no cost to the tenant and are to be paid for by the owner. Below is the list of supportive services in which points were awarded in the application, a description of the supportive service, along with the compliance documentation requirements. *In addition, to the requirements listed below, a supportive service agreement should be provided for each supportive service selected for the development*.

Developments may provide services at a central location if transportation is provided at no cost to the tenant and the transportation plan is detailed in the supportive service agreement.

Note: Any revision will be pursuant to a 30-day notice posted on the NIFA website.

Supportive Service	Description	Compliance Documentation
Health		
On-going Medical Alert/Emergency Response System	Can only be selected in conjunction with equipping the units under the amenities section.	Provide a copy of paid receipts.
Weekly Exercise Classes	Must be provided weekly and service agreement should include a description of the classes.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Monthly Foot Care Clinics	Must be provided monthly and service agreement should include what will be offered at the clinic.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Monthly Onsite Mental Health Services	Must be provided monthly and service agreement should include what will be offered.	Provide marketing materials given to tenants, and confirmation of number of tenants utilizing the service annually.
Quarterly Onsite Medical, Dental, Or Vision Testing	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants and confirmation of number of tenants utilizing the service annually.
Quarterly Onsite Therapy Animal Visits	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.

Finance		
Tenant Down Payment Savings Plan (CROWN projects not eligible)	The owner must set-aside at least $25 a month per unit to be used by the resident towards the purchase of a residential property or debt pay down (landlord pays directly to debtor) resulting in the resident qualifying for a loan. If the resident vacates the property and does not choose to purchase a home the balance in the Tenant Down Payment Savings Plan for that resident is divided amongst the current residents' Tenant Down Payment Savings Plans.	Provide copies of end of year bank statements detailing the activity throughout the year.
Tenant Savings Plan (CROWN projects not eligible)	The owner must set-aside at least $10 a month per unit into a bank account. The service agreement must state the terms of the plan; in addition to the eligible expenses the tenant can use the funds for.	Provide copies of end of year bank statements detailing the activity throughout the year, in addition to an internal ledger that shows the balance for each household.
Owner Paid Renter's Insurance for Tenant (yearly)	Must describe the terms in the service agreement.	Provide copies of paid receipts.
Education, Counseling or Training		
Weekly Tutoring Services for Students	Must be provided weekly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Weekly After-School Enrichment Program	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Monthly Onsite Job Training	Must be provided monthly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.

Monthly Nutrition Education Classes	Must be provided monthly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Quarterly Financial Management Classes	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Quarterly Parenting Classes	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Quarterly State and Federal Benefits Counseling	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Quarterly Financial Literacy Classes for Youth	Must be provided quarterly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Annual RentWise Education	Must be provided by a certified instructor. A copy of the certificate of the person authorized to present the RentWise Education that is dated within three (3) years If a certificate is older than three (3) years than a written confirmation from Nebraska Housing Developers Association must be submitted.	Provide a copy of the certificate of the person authorized to present the RentWise Education that is dated within three (3) years, marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Community and Care		
Onsite Food Pantry	Must describe the terms in the service agreement. Must be ongoing and service agreement should include what will be offered.	Provide marketing materials given to tenants and log of items distributed.
On-Going Recycling Services	Must be provided to each household.	Provide copies of paid receipts.

Licensed Childcare with Enrollment Fee for each child paid for by the development	Must describe the terms in the service agreement.	Provide marketing materials given to tenants and paid receipts.
Monthly Onsite Beautician Services	Must describe the terms in the service agreement. Must be provided monthly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Monthly Onsite Congregate Meals provided to the tenants	Must be provided monthly and service agreement should include what will be offered.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Monthly Onsite, Organized Tenant Activities	Organized tenant activities that could include movie nights, potlucks, etc.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Semi-Annual Clean-Up Events	Must describe what will be provided at the clean-up event in the service agreement.	Provide marketing materials given to tenants and paid receipts.
Annual Transportation	At least 12 round trips per year, per household.	Provide marketing materials given to tenants and paid receipts.
Annual Deep Cleaning of the Unit	Must describe the cleaning that will be provided in the service agreement.	Provide marketing materials given to tenants, tenant sign-in sheets and paid receipts, if applicable.
Other Services Offered at Least Annually	The “other” supportive service cannot be listed under any other exhibit and receive dual points in two categories. This will be subject to NIFA’s approval.	Documentation required will be reviewed on a case-by-case basis depending on the services being offered.

Exhibit 213

Proximity to Services (Non-Metro Only)

One (.5) points is available in each category listed below.

1) Grocery, Shopping, and Pharmacies – must be located within 3 miles of the proposed location
2) Hospitals, Medical Clinics and Urgent Care—must be located within 3 miles of the proposed location
3) Schools, Daycare, Senior Center, and Community Center –must be located within 3 miles of the proposed location
4) Public Park and Library—must be located within .5 miles of the proposed location

To be eligible for points in these categories submit a Google or comparable map detailing the proposed development's address and the proximity to services indicated in application. In addition to the map, provide a list of the service(s) and the distance to each service from the proposed property location. The services must in accessible via existing roads and in operation at the time of the final application submittal. Please include a statement indicating that the applicant has verified that the services chosen are open and in operation dated within no more than two (2) weeks of the final application submittal.

Project Name: **Project #:**

UNIT INFORMATION

(Complete the yellow-shaded areas)

Updatd 9-26-21

# of bed-rooms per unit	# of units	Residential Finished Sq. Ft. per unit*	Total Sq. Ft.	# of baths per unit	Gross monthly rent per unit	Less tenant paid utility	Net monthly rent per unit	Total net monthly rent	AMI Rent & Income Target (complete if making the IA election)
LIHTC/AHTC UNITS (Do not include HOME-Assisted Units)									
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
Sub-total	0		0			Sub-total		$ -	
HOME/HTF-ASSISTED UNITS (May also be designated LIHTC Units)									
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
Sub-total	0		0			Sub-total		$ -	
MARKET RATE UNITS ONLY									
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
			0		$ -	$ -	$ -	$ -	
Subtotal	0		0			Sub-total		$ -	
Total	**0**		**0**					**$ -**	

LIHTC/AHTC Units	$ -
HOME-Assisted Units	$ -
Market Rate Units	$ -
Total Net Monthly Rent:	$ -
Minus 7% Vacancy	$ -
Adjusted Net Monthly Rent:	$ -
Other Monthly Income	$ -
List source of other income:	

For new construction, units must meet the following minimum requirements:

Single Room Occupancy = 275 square feet
Studio = 450 square feet
1-bedroom = 650 square feet
2-bedroom = 800 square feet
3-Bedroom = 1,000 square feet

*Residential finished square foot per unit does not include the following: garages, storage areas (as described in the Amenities Section of the application), unfinished basement, storm shelters, common area, or other areas that otherwise received points in the LIHTC application. If selecting to provide a storm shelter that also will serve as a bathroom or bedroom closet, the Architect must certify that such space qualifies as a storm shelter. If such space qualifies as a storm shelter the square footage can be included in the residential living square footage of the unit.

Income Averaging Test - 2021 Income Limits

Complete only if selecting the Income Averaging Election. See Section 10.3 of the QAP for additional information.

Project Name:

Project #:

INPUT # OF INCOME DESIGNATED UNITS

Studio	1BR	2BR	3BR	4BR	Total	% OF AMI	AVERAGE AMGI
-	-	-	-	-	-	20%	0.00%
-	-	-	-	-	-	30%	0.00%
-	-	-	-	-	-	40%	0.00%
-	-	-	-	-	-	50%	0.00%
-	-	-	-	-	-	60%	0.00%
-	-	-	-	-	-	70%	0.00%
-	-	-	-	-	-	80%	0.00%
-	-	-	-	-	-		#DIV/0!

Revenue

Studio	1BR	2BR	3BR	4BR	Total	All at 60%	
-	-	-	-	-	-	[redacted]	
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-	-	
-	-	-	-	-	-	[redacted]	
-	-	-	-	-	-		
					-	-	$ -
						Annual	$ -

Bond Test

40/60 Test	#DIV/0!
20/50 Test	#DIV/0!

Determination of Income and Rent

Select County

County: Adams County, NE

4 Person @ VLI (50%) 36,000

Income	20%	30%	40%	50%	60%	70%	80%	140%	
1 Person	10,080	15,120	20,160	25,200	30,240	35,280	40,320	70,560	0.70
2 Person	11,520	17,280	23,040	28,800	34,560	40,320	46,080	80,640	0.80
3 Person	12,960	19,440	25,920	32,400	38,880	45,360	51,840	90,720	0.90
4 Person	14,400	21,600	28,800	36,000	43,200	50,400	57,600	100,800	1.00
5 Person	15,560	23,340	31,120	38,900	46,680	54,460	62,240	108,920	1.08
6 Person	16,720	25,080	33,440	41,800	50,160	58,520	66,880	117,040	1.16
7 Person	17,860	26,790	35,720	44,650	53,580	62,510	71,440	125,020	1.24
8 Person	19,020	28,530	38,040	47,550	57,060	66,570	76,080	133,140	1.32

Rent	20%	30%	40%	50%	60%	70%	80%
Efficiency	252	378	504	630	756	882	1,008
1 Bedroom	270	405	540	675	810	945	1,080
2 Bedroom	324	486	648	810	972	1,134	1,296
3 Bedroom	374	561	749	936	1,123	1,310	1,498
4 Bedroom	418	627	836	1,045	1,254	1,463	1,672
5 Bedroom	461	691	922	1,152	1,383	1,613	1,844

Change in Rent (compared to 60%)

	20%	30%	40%	50%	60%	70%	80%
Efficiency	(504)	(378)	(252)	(126)		126	252
1 Bedroom	(540)	(405)	(270)	(135)		135	270
2 Bedroom	(648)	(486)	(324)	(162)		162	324
3 Bedroom	(749)	(562)	(374)	(187)		187	375
4 Bedroom	(836)	(627)	(418)	(209)		209	418
5 Bedroom	(922)	(692)	(461)	(231)		230	461

%-of-AMI-served calculation

Project Name: **County:**

Bedroom size	**No. of Units**	**% of Total units**	**Current Gross Rent**	**60% Rent Limit**	**AMI % served**	**Weighted portion**
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
		0.00%			0.00%	0.00%
Total -	0	0.00%	-	-	-	-

Overall % of AMI served: **0.00%**

Please Note: The AMI worksheet performs simple calculations to assist with determining the overall AMI served. The resulting calculation should not be relied upon by the applicant for the actual underwriting of the project. NIFA performs their own underwriting.

Project Name: 0 **Project #:** 0

ANNUAL OPERATING EXPENSE INFORMATION

(Complete the yellow-shaded areas)

General and/or Administrative Expenses:	
Advertising	
Legal	
Accounting/Auditing	
Security	
Management Fee	
Other (please list below):	
Sub-total	**$ -**
NIFA Annual LIHTC Compliance Fee	**$ -**
NIFA Annual AHTC Compliance Fee	**$ -**
Operating Expenses:	
Trash Removal	
Electricity	
Water/Sewer	
Gas	
Snow Removal	
Internet Service	
Office Supplies	
Salaries	
Other (please list below):	
Sub-total	**$ -**
Maintenance Expenses:	
Painting & Repairs	
Exterminating	
Grounds/Landscape	
Elevator	
Internet Maintenance Costs	
Other (please list below):	
Sub-total	**$ -**
Other Expenses:	
Insurance	
Real Estate Taxes (estimated value x mill levy rate)	
Annual Commercial Space Expenses	
Other (please list below):	

Sub-total	**$ -**
TOTAL ANNUAL EXPENSES:	**$ -**
Annual Replacement Reserves	
($250 per unit per year for all units if LIHTC only & $350 per unit per year for all units if HOME & LIHTC)	
TOTAL ANNUAL EXPENSES + RESERVES	$ -

NET ANNUAL CASH FLOW FROM OPERATIONS

Net Monthly Income	$ -
Annual Income	$ -
Less:	
Total Operating Expense	$ -
Replacement Reserves	$ -
Net Operating Income	$ -
Less:	
Annual Debt Service	
Net Annual Cash Flow	$ -

DEVELOPMENT COST SCHEDULE

(Complete the yellow-shaded areas)

	Estimated Total Development Costs	4% LIHTC Eligible Basis	4% or 9% LIHTC New Constr./Rehab. Eligible Basis	Amortized or Expended (Non-eligible)	Allowable 24% Limit - Developer, Contractor, Gen. Req.
Land	$ -			$ -	
Existing Structures	$ -	$ -	$ -	$ -	
Demolition (new)	$ -			$ -	
Demolition (rehab)	$ -	$ -	$ -	$ -	$ -
Site Grading, Clearing, etc.	$ -	$ -	$ -	$ -	$ -
Off-site Improvements	$ -			$ -	
New Building Hard Costs	$ -	$ -	$ -	$ -	$ -
Rehabilitation Hard Costs	$ -	$ -	$ -	$ -	$ -
Accessory Building	$ -	$ -	$ -	$ -	$ -
Construction Contingency	$ -	$ -	$ -	$ -	$ -
Architect Fee - Design	$ -	$ -	$ -	$ -	$ -
Architect Fee - Supervision	$ -	$ -	$ -	$ -	$ -
Engineering Fees	$ -	$ -	$ -	$ -	$ -
Survey	$ -	$ -	$ -	$ -	$ -
Construction Insurance	$ -	$ -	$ -	$ -	$ -
Construction Loan Interest	$ -	$ -	$ -	$ -	$ -
Constr. Loan Origination Fee	$ -	$ -	$ -	$ -	$ -
Construction Period Taxes	$ -	$ -	$ -	$ -	$ -
Bridge Loan Expense*	$ -	$ -	$ -	$ -	$ -
Property Appraisal**	$ -	$ -	$ -	$ -	$ -
LIHTC Fees	$ -			$ -	
AHTC Fees	$ -			$ -	
Environmental Study/Review	$ -	$ -	$ -	$ -	$ -
Market Study	$ -	$ -	$ -	$ -	$ -
Real Estate Attorney	$ -	$ -	$ -	$ -	$ -
Real Estate Consultant	$ -	$ -	$ -	$ -	
LIHTC Consultant Fee	$ -	$ -	$ -	$ -	
Contractor Overhead	$ -	$ -	$ -	$ -	
Contractor Profit	$ -	$ -	$ -	$ -	
General Requirements	$ -	$ -	$ -	$ -	
Developer Overhead	$ -	$ -	$ -	$ -	
Developer Fee	$ -	$ -	$ -	$ -	
Title & Recording - Perm. Fin.	$ -	$ -	$ -	$ -	$ -
Perm. Loan Origination Fee	$ -			$ -	
Cost Certification	$ -			$ -	
Lenders Counsel Fee	$ -			$ -	
Underwriter Fees	$ -			$ -	
Legal & Organizational	$ -			$ -	
Tax Opinion	$ -			$ -	
Rent-up Reserves	$ -			$ -	
Operating Reserves	$ -			$ -	
Other Reserves:	$ -			$ -	
Upfront LIHTC Compliance Fees	$ -			$ -	
Upfront AHTC Compliance Fees	$ -			$ -	
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Other:	$ -	$ -	$ -	$ -	$ -
Total Residential Costs:	$ -	$ -	$ -	$ -	$ -
Total Commercial Space Costs	$ -				

*Bridge Loan Expense - eligible basis for construction period only.

**Appraisal - eligible only if done to evaluate feasibility of the project. If done as a lender requirement, the cost is not included in basis.

DEVELOPMENT COST SCHEDULE CONT.

	Total Residential Costs	4% LIHTC Eligible Basis	4% or 9% LIHTC New Constr./Rehab. Eligible Basis
From Previous Page	$ -	$ -	$ -
Deduct from Basis:			
Grant Proceeds		$ -	$ -
Non-qualified, Non-recourse Financing		$ -	$ -
Non-qualified Portion of Higher Quality Units (IRC Section 42(d)(3))		$ -	$ -
Historic Tax Credits		$ -	$ -
Over Architect/Engineering Fee Limit		$ -	$ -
Over Developer/Contractor Fee Limit		$ -	$ -
Total Eligible Basis		$ -	$ -
Multiplied by the Applicable Fraction		100.0000%	100.0000%
Total Adjusted Eligible Basis		$ -	$ -
Add to Eligible Basis:			
Project Located in Qualified Census Tract (QCT) x 130% or Basis Boost Requested (up to 130%)			100%
Total Qualified Basis		$ -	$ -
Multiplied by the Applicable Percentage		4.00%	9.00%
Maximum Allowed LIHTC Request*		**$ -**	**$ -**

Note: Developments located in a Qualified Census Tract may also add a portion of the adjusted basis of a community service facility targeted to serve tenants whose income is 60% or less or the Area Median Income (limited to 25% of the Development's eligible basis)

*Please note the calculations are for informational purposes only. Underwriting will be completed by NIFA staff during the final application review process. Results may vary based on data input errors, rounding, applicable fraction calculations, etc.

Developer/Contractor Fee Limit Calculation	
$ -	Eligible Basis Towards Fee
24%	Percent Limit
$ -	Maximum Allowed Fee
$ -	Total Fee
$ -	Adjustment to Basis

Developer Fee Limit on Acquisition Calculation	
$ -	Eligible Basis Towards Fee
5%	Percent Limit
$ -	Maximum Allowed Fee
$ -	Total Fee
$ -	Adjustment to Basis

Architect/Engineering Fee Limit Calculation	
$ -	Hard Construction Costs (in basis)
7%	Percent Limit
$ -	Maximum Allowed Fee
$ -	Total Fee
$ -	Adjustment to Basis

Project Name: 0	Project #: 0

SOURCES & USES: EQUITY GAP INFORMATION

(Complete the yellow-shaded areas)

USES

Total Development Costs	$ -
Other Uses (please list below):	
	$ -
	$ -
Total Uses	$ -

SOURCES

Conventional Loan	$ -
Nebraska Affordable Housing Tax Credits	$ -
Tax Exempt Bond Financing	$ -
National Housing Trust Funds	$ -
HOME Funds	$ -
City HOME Funds	$ -
FHLBank - Affordable Housing Program	$ -
USDA - Rural Development	$ -
CDBG Funds	$ -
Tax Increment Financing	$ -
Historic Tax Credit Equity	$ -
Other Federal Loans	$ -
Local Municipality Loan	$ -
Deferred Developer Fee	$ -
Owner Equity	$ -
Other Sources (please list below):	
	$ -
	$ -
Total Sources	$ -

Equity Gap

Total Uses	$ -
Less Total Sources	$ -
Funding Shortfall	$ -
Divided by 10-year LIHTC Period	10
LIHTC Equity Required	$ -
Divided by Net Equity Factor (Current dollar yield of net syndication proceeds per dollar of LIHTC)	$ 0.8500
Annual LIHTC Required at 9% Credit Rate	**$ -**

Project Name: 0 **Project #:** 0

Efficient Housing Production Measurements

Please note the calculations are for informational purposes only. Underwriting will be completed by NIFA staff during the final application review process. Results may vary based on data input errors, rounding, applicable fraction calculations, etc.

Development Summary		
Eligible Basis	$	-
Applicable Fraction		100.0000%
Adjusted Eligible basis	$	-
Annual LIHTC Request	$	-
LIHTC Units		0
LIHTC Square Footage		0

Cost Per Unit	**#DIV/0!**

Cost Per Square Footage	**#DIV/0!**

LIHTC Per Occupant Calculation*								
*Calculated using	1.5	persons per bedroom						**Total**
Bedroom Size	0	1	2	3	4			
Number of Units								0
Total Bedrooms	0	0	0	0	0	0	0	0
LIHTC Occupants	0	0	0	0	0	0	0	0

LIHTC Per Occupant	**#DIV/0!**

Project Name: 0

Project #: 0

PRO FORMA

(Complete the yellow-shaded areas)

Revenue Escalation	2%	Per Month	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Gross Rents		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vacancy	*7%*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Expense Escalation	3%	Per Month	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
General and\or Administrative Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NIFA Annual LIHTC Compliance Fee *(no escalation)*		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NIFA Annual AHTC Compliance Fee *(no escalation)*		$ -	$ -	$ -	$ -	$ -	$ -	$ -														
Operating Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement Reserves		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual Amount per unit	#DIV/0!																					
Annual Escalation of Reserves	0%																					
Net Operating Income (NOI)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Debt Information	Amount	Rate	Term	Monthly Debt Service	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Conventional Loan	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HOME Funds	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second Mortgage	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (please list below):																								
	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Debt Service				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage Ratio					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

If applying for HOME, CDBG-DR or HTF please complete the Cost Allocation Tool prior to completing the full Exhibit 111.

The worksheets can be uploaded as Exhibit 20 in the Required Exhibits.

Please use the following link to access the Cost Allocation Tool:	https://cms.proteus.co/_resources/dyn/files/76868627z1a2bad1f/
Please use the following link to access the CDBG-DR Tool:	https://opportunity.nebraska.gov/program/cdbg_dr/#housing-con

'_fn/HOME%20HTF-Cost-Allocation-Tool%20May%202020.xlsx

Project Name: 0

Project #: 0

PRO FORMA

(Complete the yellow-shaded areas)

Revenue Escalation	2%	Per Month	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Gross Rents		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vacancy	7%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expense Escalation	3%	Per Month	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
General and\or Administrative Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NIFA Annual LIHTC Compliance Fee *(no escalation)*		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NIFA Annual AHTC Compliance Fee *(no escalation)*		$ -	$ -	$ -	$ -	$ -	$ -	$ -																								
Operating Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Maintenance Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Operating Expenses		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Replacement Reserves		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual Amount per unit	#DIV/0!																															
Annual Escalation of Reserves	0%																															
Net Operating Income (NOI)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Debt Information	Amount	Rate	Term	Monthly Debt Service	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Conventional Loan	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HOME Funds	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HTF Funds	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second Mortgage	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (please list below):																																		
	$ -	6.00%	30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Debt Service				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash Flow				$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage Ratio					#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

LOW-INCOME HOUSING TAX CREDITS

2022/2023 CRANE Guidelines and Application

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

2022/2023
COLLABORATIVE RESOURCES ALLOCATION FOR NEBRASKA (CRANE) PROGRAM
GUIDELINES & APPLICATION
9% LIHTC and AHTC

The focus and primary purpose of CRANE is to target specific long-term, interrelated and coordinated job creation/enhancement, economic growth, joint housing and community development strategies in order to provide affordable housing. Together, NIFA and other collaborating resource providers will work with communities and neighborhoods, who have joined with forprofit and non-profit entities that commit to participate in the CRANE Program, as well as with other public and private resource providers.

The partnership between resource providers and applicants will be formed for the strategic placement of comprehensive housing, job and community development resources into Nebraska communities and neighborhoods that are ready and prepared to move forward on a pre-developed strategy to address the housing needs of the community or neighborhood.

A. COMPONENTS OF CRANE

The CRANE Program involves a three-tier process. Potential CRANE Program eligible applicants must submit an email to NIFA with a brief description of the development and how the development is CRANE eligible. Upon review by NIFA the potential CRANE Program Eligible Applicants will be invited to submit a CRANE Application and all required supporting information via the online funding application system, along with a nonrefundable CRANE Application Fee, set forth in Appendix A of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC & AHTC, which must be received in NIFA's office at the time the application is submitted to NIFA. NIFA will notify the applicant if they are CRANE eligible and whether the CRANE Application meets the requirements under the CRANE Program. If the CRANE Application meets those requirements, the eligible applicant must then submit a completed LIHTC/AHTC Application via the online funding application system and the LIHTC/AHTC Application fee must be received in NIFA's office on or prior to the time periods specified by NIFA (as set forth in the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC). CRANE Applications and related documentation received by NIFA will be reviewed on a monthly basis.

1. To participate in the CRANE Program, for-profit or non-profit entities ("Eligible Applicant") must join together with cities, communities and neighborhoods and collectively demonstrate that through a public process they have assessed the needs of their particular community with respect to economic development, community resources and housing development, and have proposed specific solutions to address those needs (the "Plan").

   Eligible Applicants must designate a "Lead" organization that will actively and regularly participate in a strategic planning and implementation program. The Plan may cover incorporated municipalities, neighborhoods or villages, although elements of the Plan may also include areas located in adjacent, unincorporated but municipally regulated areas. Housing developments in both metro and non-metro communities are eligible under the CRANE Program.

2. Jointly, NIFA and other participating resource providers will set threshold and ranking criteria for the CRANE Program applications. All CRANE Program applications will be reviewed by NIFA staff and the NIFA Programs Committee and are subject to approval by NIFA's Board. Applicants must also receive the appropriate approval from the participating resource providers for their respective development.

3. Initial CRANE Program applications will be "soft" meaning that property control, zoning and financing need not be finalized at the time of submission of the application; however, the Eligible Applicants must provide a strategy and timeline within the Plan for completing the full LIHTC/AHTC application.

4. The CRANE application must also show financial support for proposed services to occupants or other proposed programs where the occupants are the primary beneficiaries in the development. Commitments for at least 10% in materials, services and/or cash is required for each phase of an Eligible Applicant's progress other than LIHTC or AHTC. Examples of other funding sources may include, but are not limited to, Nebraska Affordable Housing Trust Funds, National Housing Trust Funds, HOME Funds, CDBG Funds, FHLBank Funds, Tax Increment Financing (TIF), and donation of land, professional fees, construction equipment or materials, and/or a donation/contribution of cash funds. Other additional funds from for-profit or non-profit entities are eligible matches if approved by NIFA.

5. Once a CRANE Program application has been accepted, a timeline will be developed with the Eligible Applicant to assign a category and to identify resources available with NIFA and other participating resource providers. Applications will be categorized as follows:

   Category 4: Conceptual
   Category 3: Feasible
   Category 2: In formation
   Category 1: Ready, in all aspects, to proceed

   The following table provides a basic outline of the Category designations and Action Steps that must be completed by an Eligible Applicant prior to receiving the associated Category designation. NIFA reserves the right to adjust the Action Steps required of the Eligible Applicant based on the needs of each individual development.

Category Designation:	*Category 4*	*Category 3*	*Category 2*	*Category 1*
Definition:	Conceptual	Feasible	In Formation	Ready, in all aspects, to proceed
Action Steps to be Completed prior to Designation:	Consult with NIFA via email about proposed development	CRANE application submitted and Eligible Applicant accepted by NIFA into the CRANE Program	At the request of NIFA, submission of Full LIHTC application	Threshold items in LIHTC application met and final documents provided to NIFA as requested. Eligible to receive a Conditional Reservation of LIHTC and AHTC

6. Each CRANE application and LIHTC/AHTC will be evaluated and recommendations needed to meet the requirements of the Qualified Allocation Plan (“QAP”) will be provided to the Eligible Applicant. Documentation and materials must be regularly updated in order for a development to retain its CRANE priority status. Applications will be discussed at the CRANE meetings, which will be held bimonthly and are open to the general public.

7. A specific timeline and expected outcome for each development will be developed as part of the CRANE process. Failure by an Eligible Applicant to adhere to the timeline or satisfy the criteria set forth in the timeline may result in a development's re-classification.

8. Measurable progress must be made in accordance with the timeline that has been established for a priority category status to be retained or upgraded. An Eligible Applicant may move into “standby” mode at any time to allow for the resolution of unanticipated problems with prior written approval from NIFA.

9. If NIFA does not receive a response/report from an eligible CRANE Applicant for three (3) months, the application will be placed in “standby” mode and NIFA will notify the applicant in writing of the “standby” status. If no communication is received from the Eligible Applicant within three (3) months after NIFA places the application in “standby” mode, then the application will be removed from the CRANE process and the Eligible Applicant so notified.

10. Full accounting and public disclosure of all inputs and results of the Plan and proposed developments will be required. This data will be used for analysis and program improvement.

11. NIFA and other participating resource providers will be the sole judges of interpretation of compliance with the CRANE Program and the appropriateness of the proposed Plans and development segments. NIFA will be the lead agency for the CRANE Program and will provide staffing and administrative services. NIFA may require that a "Continuity Manager" be engaged for long-term or large developments.

12. With respect to the CRANE Program, for the years of 2022 and 2023, NIFA proposes to set-aside (a) up to 33% of Nebraska's 2022 and 2023 Low Income Housing Tax Credit ("LIHTC") and (b) up to 33% of Nebraska 2022 and 2023 Affordable Housing Tax Credit ("AHTC") authority for CRANE Eligible Applicants, that meet the requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and the requirements established by the Nebraska Department of Revenue.

13. At NIFA's discretion, CRANE Program resources reserved but not "allocated" at the end of a specified time period may be "recycled" into the competitive program(s) or to other CRANE Program Eligible Applicants.

14. In order to be eligible for consideration of a conditional reservation of LIHTC and AHTC under the CRANE Program, NIFA staff and the Eligible Applicant must work together to address any issues, concerns, and/or additional requirements that arise during the CRANE process. Acceptance into the CRANE Program does <u>not</u> guarantee a reservation of NIFA resources. The development must meet all QAP threshold items specific to the funding requested in the case of LIHTC and AHTC, as well as those additional requirements designed to meet the goals and objectives of the CRANE Program (which additional requirements will be determined by NIFA in its sole discretion based on an individualized in-depth analysis of each development). Once a Category 1 designation has been assigned (as set forth below), a development in the CRANE process is eligible to be considered by NIFA for an allocation of resources if such resources are at that time available.

15. A written statement of the criteria, participants, and methodology of evaluation shall be made part of the public record. All allocations of resources will conform to the rules and regulations of the specific resource programs.

16. The CRANE Program may be discontinued at any time at the discretion of NIFA and other participating resource providers. NIFA and other participating resource providers reserve the right to amend the CRANE Program objectives, rules and components. The resource amount and duration of the set asides will be at the discretion of NIFA and the other participating resource providers.

B. ELIGIBLE DEVELOPMENTS

Applicants requesting consideration for an award of LIHTC/AHTC for a proposed development through the CRANE Program must provide evidence through the CRANE Application that the development provides substantial benefit in one or more of the following areas:

i. Housing for households that meet one or more of the following: (serious/chronic mental illness, physical or developmental disabilities, substance abuse issues, or homelessness At least 30% of the units must serve one or more of these populations; or

ii. Native American Housing (housing that is developed on an Indian Reservation or on tribal land, either held in trust or fee simple, or housing developed and operated by an Indian Tribe that is recognized by Nebraska or the federal government); or

iii. Adaptive Reuse of a non-residential building to create affordable housing; or

iv. Housing developments in response to settlement agreements or consent decrees relating to housing deficiencies, housing discrimination or other housing issues i.e. Choice Neighborhood program; or

v. Housing developments, located or to be located, in a county that has never had an occupied LIHTC development; or

vi. Reentry Housing targeting individuals released from a correctional institution; or

vii. Housing developments, located or to be located, in a community that at any time during the prior three (3) years has been designated as a natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster.

C. LIHTC BASIS BOOST

As authorized by the Housing and Economic Recovery Act of 2008 (H.R. 3221), NIFA may increase or "boost" the eligible basis of a particular development for purposes of the allocation of LIHTC by up to 30% ("Basis Boost") for designated buildings that are located outside of an established Qualified Census Tract (QCT) or Difficult Development Area (DDA). NIFA will review the financial feasibility of the development and the request for additional Basis Boost in accordance with **NIFA's QAP**. CRANE applicants may request up to a 30% Basis Boost under the following guidelines if the Basis Boost is needed to make the development financially feasible. The ultimate amount of any Basis Boost will be at the discretion of NIFA based upon the information in the Program applications.

D. AFFORDABILITY PERIOD

All developments for which resources are awarded through the CRANE Program will be required to have a minimum affordability period of 45 years (15-year compliance period plus 30-year extended use period).

E. TARGETING GROSS RENTS TO LOWER LEVELS

All developments applying for resources through the CRANE Program are required to score five (5) points in the Targeting Gross Rents to Lower Levels category.

- Three (3) points will be awarded if at least 10% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 40% of the applicable AMI.
- Two (2) points will be awarded if at least 40% of the total units in the development have a targeted gross rent level that is affordable to households whose income level is at or below 50% of the applicable AMI. These units shall be in addition to any units selected at 40% AMI or less.

FOR INFORMATIONAL PURPOSES ONLY - MUST SUBMIT AN ONLINE APPLICATION

2022/2023 CRANE APPLICATION

INSTRUCTIONS AND CERTIFICATION

The undersigned applicant hereby makes application to participate in the CRANE Program. Applications may be submitted via the online funding application system no later than 5:00 p.m. on the deadline for that particular Cycle. A non-refundable application fee, as set forth in Appendix A of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC, must be received in NIFA's office by 5:00 p.m. on the date that the online CRANE Application is submitted. The application must be filled out completely, with all questions and items completed. If a question does not pertain to your development, insert "N/A" in the space provided for an answer.

The undersigned hereby certifies that the information set forth in this application and in any exhibits in support thereof, is true, correct and complete. The undersigned understands that any misrepresentation may result in the cancellation of any resources allocated or reserved under the CRANE Program. The undersigned also agrees that NIFA and/or the participating resource providers may request additional information to evaluate this application: (download a copy of the Certification of CRANE Applicant from the Exhibit Examples at www.nifa.org and upload in the CRANE online funding application).

The undersigned hereby acknowledges that copies of Applications submitted pursuant to the QAP (which includes applications for 9% LIHTC, AHTC, 4% LIHTC and CRANE) will be made available by NIFA to the public (other than during the active review process) upon written request. Additionally, NIFA will post the scores for Applications at www.nifa.org. By submission of an Application pursuant to the QAP, applicant acknowledges and agrees to the release and publication of its Application and related information.

LEAD ORGANIZATION/CONTACT INFORMATION

Lead Organization/Applicant: ______
Address: ______
City: ______ State: ______ Zip: ______
Telephone Number: (______) ______
Email: ______

LIHTC APPLICANT INFORMATION:

Company Name: ______
Contact Person: ______
Address: ______
City: ______ State: ______ Zip: ______
Telephone Number: (______) ______
Email: ______

DEVELOPMENT INFORMATION:

Development Name:______
Development Owner:______
Development Address: ______
Development City: ______ State: ______ Zip: ______

TOTAL DEVELOPMENT COSTS: $

PERMANENT FUNDING SOURCES (other than NIFA, total must equal at least 10% of development costs):

Source:______	Amount: $______
Source:______	Amount: $______
Source:______	Amount: $______
Source:______	Amount: $______
	Total: $______

LOW INCOME HOUSING TAX CREDITS (LIHTC) (The maximum LIHTC allocation to any single development will be no more than 20% of Nebraska's annual LIHTC authority):

LIHTC Amount Requested: $______	Amount of Estimated LIHTC Proceeds: $______
AHTC Amount Requested: $______	Amount of Estimated AHTC Proceeds: $______

LIHTC DEVELOPMENT

THE PLAN:

- Provide a narrative describing the process used by the community (define who the community is) in which the development will be located to determine the needs of the community with respect to economic development, job creation and enhancement, and housing development in the community.
- Include in the narrative the needs identified by the community and the proposed solutions addressing those needs, including how the proposed development will meet those needs.
- Also include how current and potential employers and institutions (schools, hospitals, municipal service providers, private employers) located in the community will be involved in the development of businesses and the creation or enhancement of jobs.

*Upload this narrative in **Exhibit 1** of the CRANE online funding application.*

DESCRIPTION OF DEVELOPMENT:

- Provide a description of the proposed development.
- Include number of units, types of units and amenities.
- If a site has been selected, describe the area around the site and include pictures of the site, its surroundings and a location map as outlined in Exhibit 8 of the Exhibit Examples.

*Upload this description in **Exhibit 2** of the CRANE online funding application.*

DEVELOPMENT COST WORKSHEETS:

- Provide a development cost schedule, statement of sources and uses, rents and expenses for the proposed development.
- Evidence of community based financial support of at least 10% in materials, services and/or cash contribution must be noted.
- Please use Exhibit 111 of the Exhibit Examples.

*Upload the Development Cost Worksheets in **Exhibit 3** of the CRANE online funding application.*

COMMUNITY BASED FINANCIAL SUPPORT:

- Provide evidence of community-based financial support of at least 10% in materials, services and/or cash.

*Upload evidence in **Exhibit 4** of the CRANE online funding application.*

ELIGIBLE DEVELOPMENT:

- Provide a narrative describing how the proposed development will meet the requirements of one or more of the eligible development types as outlined in Section B above.
- Identify the population to be served.
- Identify the service providers who will serve the population.
- Describe the supportive services that will be provided to the tenants.
- The supportive services must be suitable for the population the development is serving. Supportive services may range across a wide continuum of care to a high level and can vary for each tenant over time. Each tenant does not need to utilize all of the supportive services provided by the development; however, the supportive services must be available to all tenants. If tenants are not utilizing the services that are available, NIFA/NDED may question whether or not the development is a CRANE eligible development. Supportive services targeted to adults with behavioral health disorders need to emphasize beneficial treatment outcomes and recovery, with appropriate individualized treatment planning. The market study must demonstrate a need for the eligible development.

*Upload this narrative and agreement(s) in **Exhibit 5** of the CRANE online funding application.*

PATTERNS OF HOUSING DISCRIMINATION:

- If applicable, provide evidence that the development addresses a finding or pattern of housing discrimination, or a pattern or finding of violation of fair housing laws.

*Upload evidence in **Exhibit 6** of the CRANE online funding application.*

LIHTC CONDITIONAL RESERVATION PROCESS

CRANE Eligible Applicants applying for LIHTC and AHTC will receive a CRANE Category designation upon initial submission and will be notified, in writing, by NIFA.

Eligible Applicants requesting LIHTC and AHTC must submit to NIFA the full online LIHTC/AHTC Application including all applicable Exhibits and fees by the deadlines that are outlined in the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC.

NIFA RESERVES THE RIGHT TO CHANGE APPLICATION FORMS AND REQUIREMENTS AS NECESSARY TO MEET THE NEEDS AND PURPOSES OF THE CRANE PROGRAM.

All inquiries, applications and questions should be directed to:

LIHTC Allocation Manager
Nebraska Investment Finance Authority
1230 “O” Street, Suite 200
Lincoln, Nebraska 68508-1402
Phone: (402) 434-3900
www.nifa.org

LOW-INCOME HOUSING TAX CREDITS

2022 Carryover Allocation Procedures Manual

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

2022 CARRYOVER ALLOCATION AND 10% TEST PROCEDURES MANUAL

The Nebraska Investment Finance Authority ("NIFA") Low Income Housing Tax Credit ("LIHTC") Carryover Allocation and 10% Test Procedures Manual (this "Manual"), sets forth the criteria and documentation required for requesting a Carryover Allocation and the submission of documents with respect to the 10% Test. All portions of this Manual must be adhered to when requesting a Carryover Allocation and submission of the 10% Test documentation to NIFA.

SECTION 1.1 QUALIFYING FOR A CARRYOVER ALLOCATION

For developments that will not be placed into service in the year in which a Conditional Reservation is issued, NIFA will grant a Carryover Allocation. To receive a Carryover Allocation, the Owner ("Owner") must (a) submit a copy of all documentation detailed in Section 1.2(b) of this Manual to NIFA (the "Carryover Allocation Documentation") by November 1, 2022 and (b) provide evidence to NIFA that the Owner has incurred 10% or more of the reasonably expected basis (including land) in the development ("10% Test Certification") within one year from the date of the Carryover Allocation and by no later than June 30, 2023.

SECTION 1.2 REQUIREMENTS FOR SUBMITTING CARRYOVER ALLOCATION REQUEST AND SUBMISSION OF THE 10% CERTIFICATION

(a) All Owners receiving a Conditional Reservation for a development must submit the Carryover Allocation Documentation to NIFA by November 1, 2022 and the 10% Test Certification (items 1.2(b)(3) and 1.2(c) noted below) within one year from the date of the Carryover Allocation and by no later than June 30, 2023.

NOTE: A Late Fee of 1% of the LIHTC amount will be assessed for any Owner that fails to submit its Carryover Allocation Documentation and/or 10% Test Certification by the specified deadlines.

(b) NIFA will grant a Carryover Allocation upon receipt and review of the following completed and executed, as required, Carryover Allocation Documentation meeting the requirements of this Manual, executed by the Owner and notarized by a Notary Public:

(1) Carryover Allocation Agreement, in the form set forth in Exhibit A, executed by the Owner and notarized by a Notary Public;

(2) LIHTC Calculation Worksheet, Attachment I of the Carryover Allocation Agreement;

(3) Executed and filed (with the Secretary of State) organizational documents of the Owner;

(4) Letter from the IRS evidencing the Owner’s federal Employer Identification Number (EIN);

(5) Certificate of Good Standing for the Owner (dated within 30 days of submission of Carryover Allocation Documentation);

(6) Executed IRS Form 8821 (Tax Information Authorization Form) for the sharing of information between NIFA and the IRS. Each Owner of a development will be required to execute a new Form 8821 every 3 years. Form 8821 must be from the Owner to NIFA and list the following on the respective line items:

3(a): Income

3(b): (i) Partnership or LLC – Form 1065; (ii) Individual – Form 1040; or (iii) Corporation – Form 1120

3(c): Current year and next two years

3(d): Any related federal income tax information pertaining to LIHTC, including audit findings and assessments;

(7) Updated cost figures (firm bids at minimum, contracts preferred);

(8) Any additional information requested by NIFA; and

(9) If applicable, firm commitment for Department of Economic Development HOME Funds or USDA-RD.

When all conditions and requirements of this section have been deemed satisfied by NIFA, NIFA will execute the Carryover Allocation Agreement and return one copy to the Owner.

(c) The 10% Test Certification in the form of Exhibit B must be completed by an independent third party certified public accountant or qualified tax attorney and submitted by the required deadline as specified above. The 10% Test Certification must demonstrate that 10% or more of the reasonably expected basis in the development has been incurred by the

Owner by the submission date. **If the developer fee is included in the 10% Test, it must be earned and reasonable, may not be greater than 20% of the total developer fee and may not include any deferred portion of the fee.** If the cost of the acquisition of the land is included in the 10% Test, the Owner must submit a copy of the recorded warranty deed reflecting the Owner as the grantee and a copy of the settlement statement.

Items to submit with the 10% Test Certification which must be acceptable to NIFA:

1. 10% Test Worksheet Certification, Attachment II of the Carryover Allocation Agreement;

2. Copy of the Recorded Warranty Deed in the name of the Owner or long term ground lease to the Owner;

3. Settlement Statement for purchase of the land;

4. Current Certificate of Good Standing for the Owner (dated within 30 days of submission of 10% Test Certification);

5. Certification from the Nebraska Department of Environment and Energy that the plans and specifications meet the state energy conservation code; and

6. Independent Auditor's Report for Applying Agreed Upon Procedures

(d) Upon review of the Carryover Allocation Documentation submitted and/or the 10% Test Certification, NIFA will notify the Owner of any discrepancies in the submitted documentation and may request additional information to complete its review for the Carryover Allocation request. The Owner will be given a deadline in which to correct any discrepancies and/or submit additional information. Failure to correct any discrepancies or provide additional information within the specified deadline may result in the revocation of the Conditional Reservation.

EXHIBIT A

CARRYOVER ALLOCATION AGREEMENT

2022 CARRYOVER ALLOCATION AGREEMENT

Project-based Allocation ☐ Building-based Allocation ☐

THIS AGREEMENT (“Agreement”), is by and between ______ (the “Owner”) and the Nebraska Investment Finance Authority, a body politic and corporation not a state agency but an independent instrumentality exercising essential public functions organized and existing under the laws of the State of Nebraska (“NIFA”).

WITNESSETH:

WHEREAS, the Owner is the owner of:

Development Name:________________ (the “Development”)NIFA LIHTC #:__________

Development Address:____; and

WHEREAS, the Owner has applied to NIFA for a carryover allocation of low-income housing tax credits (“LIHTC”) under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) and in connection therewith has represented that (i) each building in the Development is or will be a qualified building as defined in Section 42(h)(1)(E)(ii) of the Code and each such building will be placed in service no later than December 31, 2024; and (ii) as of the date of this Agreement, the Owner has, or will have within one year from the date of this Carryover Allocation and by no later than June 30, 2023, a basis in the Development of at least ten percent (10%) of the reasonably expected basis in the Development as of December 31, 2024; and

WHEREAS, the Owner also has made representations to NIFA in its Low Income Housing Tax Credit Application, concerning among other things, the number of low-income units, amenities, tenant services and the term of occupancy restrictions; and

WHEREAS, based upon such representations, NIFA is willing to grant a carryover allocation of LIHTCs to the Owner provided that the Owner, by entering into this Agreement, agrees to comply with the covenants, terms and conditions of this Agreement as a condition precedent to the final allocation of LIHTCs by NIFA.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and NIFA agree as follows:

1. Carryover Allocation. NIFA hereby allocates an amount not to exceed the amount stated in Attachment I of this Agreement of 2022 LIHTCs (the "Carryover Allocation") to the Owner for the Development described below. This Carryover Allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and, if this is a project-based allocation, Section 42(h)(1)(F) of the Code. This Carryover Allocation is further expressly conditioned upon the terms and conditions set forth herein. The Building Identification Number to be assigned to each building in the Development is set forth in Attachment I hereto.

Owner Name:____

Owner Address:____

Owner City, State, Zip Code:____

Federal Tax ID Number of Owner:_____________________________

Development Name:______________________________________

Development Address:_____________________________________

Development City, State, Zip Code:______

2. Total Reasonable Expected Basis. The Owner's Total Reasonably Expected Basis in the Development is $______

3. Representations, Covenants and Warranties of the Owner. The Owner covenants, represents and warrants that:

(a) The Owner and all parties comprising the Owner are in compliance with all requirements of Section 42 of the Code for all developments subject to Section 42 of the Code owned by any of them.

(b) Each building which is the subject of the Carryover Allocation is, or will be, a "qualified building" as defined in Section 42(h)(1)(E)(ii) of the Code, and the Development will constitute a "qualified low-income housing project" as defined in Section 42(g) of the Code.

(c) Each building which is the subject of the Carryover Allocation will be placed in service by December 31, 2024, and the Owner will make timely application to NIFA for a final allocation of LIHTC so as to permit NIFA to issue IRS Form 8609(s) to the Development.

4. Determination of LIHTC Amount. The Owner acknowledges that the LIHTC amount for which NIFA has made this Carryover Allocation is based upon estimates provided by the Owner. The Owner acknowledges and agrees that the LIHTC amount may be reduced based upon NIFA's final determination pursuant to Section 42(m)(2) of the Code, and that the amount of such reduction shall be deemed returned LIHTC to NIFA pursuant to Section 42(h)(3)(C) of the Code.

5. Conditions; Return of Carryover Allocation. The Owner acknowledges that all terms, conditions, obligations and deadlines set forth herein constitute both continuing conditions of the Carryover Allocation and conditions precedent to a final allocation of LIHTC by NIFA, and the Owner's or the Development's failure to comply with all terms and conditions of this Agreement will result in the loss of the Carryover Allocation. In any such event, the LIHTC allocated by this Carryover Allocation shall be returned to NIFA pursuant to Section 42(h)(3)(C) of the Code and Treasury Regulation § 1.42-14(d), and the Owner acknowledges that neither it nor the Development will have any right to claim LIHTC's pursuant to the Carryover Allocation.

6. Applicable Credit Percentage. The Owner may elect to lock the "Applicable Percentage" as defined in Section 42(b) of the Code.

☐ If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(3) of the Code, to lock the Applicable Percentage at 4% for each acquisition building in the Development that is placed in service on or after January 1, 2021.

☐ If this box is checked, the Owner has made no election pursuant to Section 42(b)(1)(A)(i) of the Code, and accordingly, the Applicable Percentage for each building shall be that for the month in which that particular building is placed in service.

☐ If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(2) of the Code, to lock the Applicable Percentage at 9% for each new construction or substantially rehabilitated non-federal subsidized building in the Development.

NOTE TO OWNER: IF YOU HAVE PREVIOUSLY EXECUTED AN AGREEMENT AND ELECTION STATEMENT WITH NIFA LOCKING THE APPLICABLE PERCENTAGE FOR THE DEVELOPMENT, YOU MAY NOT DO SO AGAIN HERE. THEREFORE, DO NOT CHECK ANY BOX IF THIS STATEMENT APPLIES.

7. Gross Rent Floor. Section 42(g)(2)(A) of the Code provides that a unit is “rent restricted” if the gross rent for such unit does not exceed 30% of the imputed income limitation applicable to the unit. Under Revenue Procedure 94-57, the effective date of income limitation used to establish the gross rent floor for purposes of Code Section 42(g)(2)(A) is the date of the Carryover Allocation unless the Owner designates a building’s placed in service date as the effective date for determining the gross rent floor.

☐ If this box is checked, the Owner hereby designates the placed in service date of each building as the date on which the gross rent floor in Code Section 42(g)(2)(A) will take effect.

☐ If this box is checked, the effective date for establishing the gross rent floor is the date of this Agreement.

8. Final Allocation. Upon notification by the Owner to NIFA that the Development has been placed in service and satisfaction of all requirements in the Final Cost Certification Procedures Manual, NIFA will issue IRS Form 8609 to the Owner of such building to the extent required and in accordance with Code Section 42.

9. No Reliance. In making the Carryover Allocation, NIFA has relied solely upon information provided and representations made by the Owner or the Owner’s designee, and the Carryover Allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by NIFA as to the qualification of the Development for LIHTCs, or the feasibility or viability of the Development, and may not be relied on as such by any owner, developer, investor, tenant, lender or any other person for any reason. In addition, NIFA’s acceptance of the certifications and representations required in connection with the Owner’s request for the Carryover Allocation does not constitute a representation as to the satisfaction of the requirements under Code Section 42(h)(1)(E) as binding on the Internal Revenue Service.

10. Release and Indemnification. The Owner acknowledges that, in making the Carryover Allocation, NIFA has relied upon information and representations given by or on behalf of the Owner and that NIFA has made no independent investigation and does not have independent knowledge of the basis for such information and representations. Accordingly, to induce NIFA to make the Carryover Allocation, the Owner agrees as follows:

(a) The Owner hereby agrees to release and forever discharge NIFA, its members, employees, agents, officers, successors and assigns of and from any and all claims, demands, causes of actions, judgments and executions which the Owner has or may hereafter have against NIFA or any such other persons, whether in law or in equity, arising or resulting from, or on account of or pertaining to, whether directly or indirectly, NIFA's making of the Carryover Allocation.

(b) The Owner hereby agrees to indemnify, save harmless and defend NIFA, and its members, officers, agents, employees, successors and assigns, from any obligation, claim, loss, demand, cost, expense (including the costs of the investigation and settlement of any claim, and including reasonable attorneys' fees) or judgment against NIFA arising or resulting from, or on account of or pertaining to, whether directly or indirectly, NIFA's making of the Carryover Allocation. If any such claim is asserted, any indemnified party hereunder will give prompt notice to the Owner and will cooperate in the investigation and defense of any such claim. The Owner will assume the defense of any such asserted claim by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld), it being understood that the indemnified party shall have the right to employ its own separate counsel and participate in such proceedings at its own cost and expense.

(c) If the indemnification provided in subsection (b) is, for any reason, either unavailable to NIFA or any of the other persons intended to be indemnified thereby or insufficient to hold it or any of them harmless, then the Owner hereby agrees to contribute to all amounts paid or payable by NIFA and such other persons as a result of any such obligation, claim, loss, demand, cost, expense or judgment. The amount to be contributed by the Owner shall be the amount that is appropriate to reflect both the relative benefits received by the Owner, on the one hand, and by NIFA and such other persons, on the other hand, and the relative degrees of fault of the Owner, on the one hand, and of NIFA and such other persons, on the other hand.

11. <u>Miscellaneous</u>.

(a) The Owner hereby agrees and acknowledges that NIFA reserves, commits, and allocates LIHTCs to partnerships, limited liability companies, corporations, and individuals. Reservations, Commitments and Carryover Allocations of LIHTC are nontransferable, <u>and any change in the ownership structure of the Owner requires NIFA's prior written approval</u>.

(b) This Agreement shall be governed by the laws of the State of Nebraska and, where applicable, the laws of the United States of America.

12. Effective Date. The Effective Date of this Agreement is the date executed by NIFA.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives.

OWNER

By: ____

Its: ____

Date: __________

SUBSCRIBED AND SWORN TO before me this ______ day of ______, 20______ by ____________________ for and on behalf of the Owner.

____

Notary Public in and for the State of __________________, County of _______________

Commission expires: ____________________

Nebraska Investment Finance Authority
1230 “O” Street
Suite 200
Lincoln, Nebraska 68508
Tax ID Number 47-0613449

By: ____
__________________, Executive Director

Date: _____________________________________

SUBSCRIBED AND SWORN TO before me this ____________ day of ____________, 20____ by ______________________, an authorized representative of the Nebraska Investment Finance Authority.

____

Notary Public in and for the State of Nebraska, County of Lancaster

Commission expires:__________________

ATTACHMENTS I & II

Double click on the icon below to open Attachments I & II.

Complete all yellow-shaded areas.

Worksheet in 2022 carryover.xlsx

Exhibit B

10% Test Certification

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

(to be submitted under accounting firm's letterhead)

A. General Instructions

All requested information must be prepared in the format provided below. Submission of this report in any other format or without all requested items will not be accepted by NIFA. If any question is not applicable, mark N/A and if necessary, provide an explanation. The letter should be on the firm's letterhead with an original signature.

B. Required Format

Date: _____________

To: Nebraska Investment Finance Authority ("NIFA")
1230 "O" Street, Suite 200
Lincoln, Nebraska 68508-1402
Attn: Low Income Housing Tax Credit Division

RE: Low Income Housing Tax Credit Carryover Allocation
Name of Development: _____
NIFA LIHTC #: _____
Owner: _____

We have examined the accompanying Certification of Costs Incurred ("Exhibit_____") of the Owner for ______________________ (the "Development") as of ____________ _____, 20_____. Exhibit _____ is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on Exhibit _____ based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting Exhibit _____ and performing such other procedures as we considered necessary in the circumstances.

The accompanying Exhibit _____ was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting and by the NIFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonable expected basis and, accordingly, we do not express any opinion or any other form of assurance on such estimates. Furthermore, even if the Development is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, Exhibit _____ referred to above presents fairly, in all material respects, costs incurred for the Development as of _____________ _____ 20_____, on the basis of accounting described above.

In addition to examining Exhibit_____, we have, at your request, performed certain agreed-upon procedures, as enumerated below, with respect to the Development. These procedures, which were agreed to by the Owner and NIFA, were performed to assist you in determining whether the Development has met the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures:

- We calculated, based on estimates of total development costs provided by the Owner, the Development's total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be $_____ as of December 31, 2024.

- We calculated the reasonably expected basis incurred by the Owner as of ____ ____________, 20_____ to be $_____.

- We calculated the percentage of the developer fee incurred by the Owner as of __________ _____, 20_____to be _____% of the total development fee.

- We compared the reasonably expected basis incurred as of __________ _____, 20_____ to the total reasonably expected basis of the Development, and calculated that _____% had been incurred as of __________ _____, 20_____.

- We determined that the Owner uses the accrual method of accounting, and has not included any construction costs in carryover allocation basis that have not been properly accrued.

- Based on the amount of total reasonably expected basis listed above, for the Owner to meet the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculated that the Development needed to incur at least $______ of costs prior to ___________ ______, 20______. As of ___________ ______, 20______, costs of at least $______ had been incurred, which is approximately ______% of the total reasonably expected basis of the Development.

We were not engaged to, and did not, perform an audit of the Owner's financial statements or of the Development's total reasonably expected basis. Furthermore, even if the Development is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with NIFA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

City, State
______________ _____, 20______

LOW-INCOME HOUSING TAX CREDITS

2023 Carryover Allocation Procedures Manual

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2023 CARRYOVER ALLOCATION AND 10% TEST PROCEDURES MANUAL

The Nebraska Investment Finance Authority ("NIFA") Low Income Housing Tax Credit ("LIHTC") Carryover Allocation and 10% Test Procedures Manual (this "Manual"), sets forth the criteria and documentation required for requesting a Carryover Allocation and the submission of documents with respect to the 10% Test. All portions of this Manual must be adhered to when requesting a Carryover Allocation and submission of the 10% Test documentation to NIFA.

SECTION 1.1 QUALIFYING FOR A CARRYOVER ALLOCATION

For developments that will not be placed into service in the year in which a Conditional Reservation is issued, NIFA will grant a Carryover Allocation. To receive a Carryover Allocation, the Owner ("Owner") must (a) submit a copy of all documentation detailed in Section 1.2(b) of this Manual to NIFA (the "Carryover Allocation Documentation") by November 1, 2023 and (b) provide evidence to NIFA that the Owner has incurred 10% or more of the reasonably expected basis (including land) in the development ("10% Test Certification") within one year from the date of the Carryover Allocation and by no later than June 28, 2024.

SECTION 1.2 REQUIREMENTS FOR SUBMITTING CARRYOVER ALLOCATION REQUEST AND SUBMISSION OF THE 10% CERTIFICATION

(a) All Owners receiving a Conditional Reservation for a development must submit the Carryover Allocation Documentation to NIFA by November 1, 2023 and the 10% Test Certification (items 1.2(b)(3) and 1.2(c) noted below) within one year from the date of the Carryover Allocation and by no later than June 28, 2024.

NOTE: A Late Fee of 1% of the LIHTC amount will be assessed for any Owner that fails to submit its Carryover Allocation Documentation and/or 10% Test Certification by the specified deadlines.

(b) NIFA will grant a Carryover Allocation upon receipt and review of the following completed and executed, as required, Carryover Allocation Documentation meeting the requirements of this Manual, executed by the Owner and notarized by a Notary Public:

(1) Carryover Allocation Agreement, in the form set forth in Exhibit A, executed by the Owner and notarized by a Notary Public;

(2) LIHTC Calculation Worksheet, Attachment I of the Carryover Allocation Agreement;

(3) Executed and filed (with the Secretary of State) organizational documents of the Owner;

(4) Letter from the IRS evidencing the Owner's federal Employer Identification Number (EIN);

(5) Certificate of Good Standing for the Owner (dated within 30 days of submission of Carryover Allocation Documentation);

(6) Executed IRS Form 8821 (Tax Information Authorization Form) for the sharing of information between NIFA and the IRS. Each Owner of a development will be required to execute a new Form 8821 every 3 years. Form 8821 must be from the Owner to NIFA and list the following on the respective line items:

3(a): Income

3(b): (i) Partnership or LLC – Form 1065; (ii) Individual – Form 1040; or (iii) Corporation – Form 1120

3(c): Current year and next two years

3(d): Any related federal income tax information pertaining to LIHTC, including audit findings and assessments;

(7) Updated cost figures (firm bids at minimum, contracts preferred);

(8) Any additional information requested by NIFA; and

(9) If applicable, firm commitment for Department of Economic Development HOME Funds or USDA-RD.

When all conditions and requirements of this section have been deemed satisfied by NIFA, NIFA will execute the Carryover Allocation Agreement and return one copy to the Owner.

(c) The 10% Test Certification in the form of Exhibit B must be completed by an independent third party certified public accountant or qualified tax attorney and submitted by the required deadline as specified above. The 10% Test Certification must demonstrate that 10% or more of the reasonably expected basis in the development has been incurred by the Owner by the submission date. **If the developer fee is included in the**

10% Test, it must be earned and reasonable, may not be greater than 20% of the total developer fee and may not include any deferred portion of the fee. If the cost of the acquisition of the land is included in the 10% Test, the Owner must submit a copy of the recorded warranty deed reflecting the Owner as the grantee and a copy of the settlement statement.

Items to submit with the 10% Test Certification which must be acceptable to NIFA:

1. 10% Test Worksheet Certification, Attachment II of the Carryover Allocation Agreement;

2. Copy of the Recorded Warranty Deed in the name of the Owner or long term ground lease to the Owner;

3. Settlement Statement for purchase of the land;

4. Current Certificate of Good Standing for the Owner (dated within 30 days of submission of 10% Test Certification);

5. Certification from the Nebraksa Department of Environment and Energy that the plans and specifications meet the state energy conservation code; and

6. Independent Auditor's Report for Applying Agreed Upon Procedures

(d) Upon review of the Carryover Allocation Documentation submitted and/or the 10% Test Certification, NIFA will notify the Owner of any discrepancies in the submitted documentation and may request additional information to complete its review for the Carryover Allocation request. The Owner will be given a deadline in which to correct any discrepancies and/or submit additional information. Failure to correct any discrepancies or provide additional information within the specified deadline may result in the revocation of the Conditional Reservation.

EXHIBIT A

CARRYOVER ALLOCATION AGREEMENT

2023 CARRYOVER ALLOCATION AGREEMENT

Project-based Allocation ☐ Building-based Allocation ☐

THIS AGREEMENT (“Agreement”), is by and between ___ (the “Owner”) and the Nebraska Investment Finance Authority, a body politic and corporation not a state agency but an independent instrumentality exercising essential public functions organized and existing under the laws of the State of Nebraska (“NIFA”).

WITNESSETH:

WHEREAS, the Owner is the owner of:

Development Name:________________ (the “Development”)NIFA LIHTC #:__________

Development Address:____; and

WHEREAS, the Owner has applied to NIFA for a carryover allocation of low-income housing tax credits (“LIHTC”) under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) and in connection therewith has represented that (i) each building in the Development is or will be a qualified building as defined in Section 42(h)(1)(E)(ii) of the Code and each such building will be placed in service no later than December 31, 2025; and (ii) as of the date of this Agreement, the Owner has, or will have within one year from the date of this Carryover Allocation and by no later than June 28, 2024, a basis in the Development of at least ten percent (10%) of the reasonably expected basis in the Development as of December 31, 2025; and

WHEREAS, the Owner also has made representations to NIFA in its Low Income Housing Tax Credit Application, concerning among other things, the number of low-income units, amenities, tenant services and the term of occupancy restrictions; and

WHEREAS, based upon such representations, NIFA is willing to grant a carryover allocation of LIHTCs to the Owner provided that the Owner, by entering into this Agreement, agrees to comply with the covenants, terms and conditions of this Agreement as a condition precedent to the final allocation of LIHTCs by NIFA.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and NIFA agree as follows:

1. Carryover Allocation. NIFA hereby allocates an amount not to exceed the amount stated in Attachment I of this Agreement of 2023 LIHTCs (the "Carryover Allocation") to the Owner for the Development described below. This Carryover Allocation is expressly conditioned upon satisfaction of the requirements of Section 42(h)(1)(E) of the Code and, if this is a project-based allocation, Section 42(h)(1)(F) of the Code. This Carryover Allocation is further expressly conditioned upon the terms and conditions set forth herein. The Building Identification Number to be assigned to each building in the Development is set forth in Attachment I hereto.

Owner Name:____

Owner Address:____

Owner City, State, Zip Code:____

Federal Tax ID Number of Owner:____

Development Name:____

Development Address:____

Development City, State, Zip Code:_____

_

2. Total Reasonable Expected Basis. The Owner's Total Reasonably Expected Basis in the Development is $______

3. Representations, Covenants and Warranties of the Owner. The Owner covenants, represents and warrants that:

(a) The Owner and all parties comprising the Owner are in compliance with all requirements of Section 42 of the Code for all developments subject to Section 42 of the Code owned by any of them.

(b) Each building which is the subject of the Carryover Allocation is, or will be, a "qualified building" as defined in Section 42(h)(1)(E)(ii) of the Code, and the Development will constitute a "qualified low-income housing project" as defined in Section 42(g) of the Code.

(c) Each building which is the subject of the Carryover Allocation will be placed in service by December 31, 2025, and the Owner will make timely application to NIFA for a final allocation of LIHTC so as to permit NIFA to issue IRS Form 8609(s) to the Development.

4. Determination of LIHTC Amount. The Owner acknowledges that the LIHTC amount for which NIFA has made this Carryover Allocation is based upon estimates provided by the Owner. The Owner acknowledges and agrees that the LIHTC amount may be reduced based upon NIFA's final determination pursuant to Section 42(m)(2) of the Code, and that the amount of such reduction shall be deemed returned LIHTC to NIFA pursuant to Section 42(h)(3)(C) of the Code.

5. Conditions; Return of Carryover Allocation. The Owner acknowledges that all terms, conditions, obligations and deadlines set forth herein constitute both continuing conditions of the Carryover Allocation and conditions precedent to a final allocation of LIHTC by NIFA, and the Owner's or the Development's failure to comply with all terms and conditions of this Agreement will result in the loss of the Carryover Allocation. In any such event, the LIHTC allocated by this Carryover Allocation shall be returned to NIFA pursuant to Section 42(h)(3)(C) of the Code and Treasury Regulation § 1.42-14(d), and the Owner acknowledges that neither it nor the Development will have any right to claim LIHTC's pursuant to the Carryover Allocation.

6. Applicable Credit Percentage. The Owner may elect to lock the "Applicable Percentage" as defined in Section 42(b) of the Code.

☐ If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(3) of the Code, to lock the Applicable Percentage at 4% for each acquisition building in the Development that is placed in service on or after January 1, 2021.

☐ If this box is checked, the Owner has made no election pursuant to Section 42(b)(1)(A)(i) of the Code, and accordingly, the Applicable Percentage for each building shall be that for the month in which that particular building is placed in service.

☐ If this box is checked, the Owner hereby irrevocably elects, pursuant to Section 42(b)(2) of the Code, to lock the Applicable Percentage at 9% for each new construction or substantially rehabilitated non-federal subsidized building in the Development.

NOTE TO OWNER: IF YOU HAVE PREVIOUSLY EXECUTED AN AGREEMENT AND ELECTION STATEMENT WITH NIFA LOCKING THE APPLICABLE PERCENTAGE FOR THE DEVELOPMENT, YOU MAY NOT DO SO AGAIN HERE. THEREFORE, DO NOT CHECK ANY BOX IF THIS STATEMENT APPLIES.

7. Gross Rent Floor. Section 42(g)(2)(A) of the Code provides that a unit is "rent restricted" if the gross rent for such unit does not exceed 30% of the imputed income limitation applicable to the unit. Under Revenue Procedure 94-57, the effective date of income limitation used to establish the gross rent floor for purposes of Code Section 42(g)(2)(A) is the date of the Carryover Allocation unless the Owner designates a building's placed in service date as the effective date for determining the gross rent floor.

☐ If this box is checked, the Owner hereby designates the placed in service date of each building as the date on which the gross rent floor in Code Section 42(g)(2)(A) will take effect.

☐ If this box is checked, the effective date for establishing the gross rent floor is the date of this Agreement.

8. Final Allocation. Upon notification by the Owner to NIFA that the Development has been placed in service and satisfaction of all requirements in the Final Cost Certification Procedures Manual, NIFA will issue IRS Form 8609 to the Owner of such building to the extent required and in accordance with Code Section 42.

9. No Reliance. In making the Carryover Allocation, NIFA has relied solely upon information provided and representations made by the Owner or the Owner's designee, and the Carryover Allocation does not in any way constitute a representation, warranty, guaranty, advice or suggestion by NIFA as to the qualification of the Development for LIHTCs, or the feasibility or viability of the Development, and may not be relied on as such by any owner, developer, investor, tenant, lender or any other person for any reason. In addition, NIFA's acceptance of the certifications and representations required in connection with the Owner's request for the Carryover Allocation does not constitute a representation as to the satisfaction of the requirements under Code Section 42(h)(1)(E) as binding on the Internal Revenue Service.

10. Release and Indemnification. The Owner acknowledges that, in making the Carryover Allocation, NIFA has relied upon information and representations given by or on behalf of the Owner and that NIFA has made no independent investigation and does not have independent knowledge of the basis for such information and representations. Accordingly, to induce NIFA to make the Carryover Allocation, the Owner agrees as follows:

(a) The Owner hereby agrees to release and forever discharge NIFA, its members, employees, agents, officers, successors and assigns of and from any and all claims, demands, causes of actions, judgments and executions which the Owner has or may hereafter have against NIFA or any such other persons, whether in law or in equity, arising or resulting from, or on account of or pertaining to, whether directly or indirectly, NIFA's making of the Carryover Allocation.

(b) The Owner hereby agrees to indemnify, save harmless and defend NIFA, and its members, officers, agents, employees, successors and assigns, from any obligation, claim, loss, demand, cost, expense (including the costs of the investigation and settlement of any claim, and including reasonable attorneys' fees) or judgment against NIFA arising or resulting from, or on account of or pertaining to, whether directly or indirectly, NIFA's making of the Carryover Allocation. If any such claim is asserted, any indemnified party hereunder will give prompt notice to the Owner and will cooperate in the investigation and defense of any such claim. The Owner will assume the defense of any such asserted claim by engaging counsel approved by the indemnified party (which approval shall not be unreasonably withheld), it being understood that the indemnified party shall have the right to employ its own separate counsel and participate in such proceedings at its own cost and expense.

(c) If the indemnification provided in subsection (b) is, for any reason, either unavailable to NIFA or any of the other persons intended to be indemnified thereby or insufficient to hold it or any of them harmless, then the Owner hereby agrees to contribute to all amounts paid or payable by NIFA and such other persons as a result of any such obligation, claim, loss, demand, cost, expense or judgment. The amount to be contributed by the Owner shall be the amount that is appropriate to reflect both the relative benefits received by the Owner, on the one hand, and by NIFA and such other persons, on the other hand, and the relative degrees of fault of the Owner, on the one hand, and of NIFA and such other persons, on the other hand.

11. Miscellaneous.

(a) The Owner hereby agrees and acknowledges that NIFA reserves, commits, and allocates LIHTCs to partnerships, limited liability companies, corporations, and individuals. Reservations, Commitments and Carryover Allocations of LIHTC are nontransferable, and any change in the ownership structure of the Owner requires NIFA's prior written approval.

(b) This Agreement shall be governed by the laws of the State of Nebraska and, where applicable, the laws of the United States of America.

12. Effective Date. The Effective Date of this Agreement is the date executed by NIFA.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives.

OWNER

By: ____

Its: ____

Date: __________

SUBSCRIBED AND SWORN TO before me this ______ day of ______, 20______ by ____________________ for and on behalf of the Owner.

____

Notary Public in and for the State of __________________, County of ______________

Commission expires: ___________________

Nebraska Investment Finance Authority
1230 “O” Street
Suite 200
Lincoln, Nebraska 68508
Tax ID Number 47-0613449

By: ____
___________________, Executive Director

Date: ______________________________________

SUBSCRIBED AND SWORN TO before me this ____________ day of ____________, 20____ by ______________________, an authorized representative of the Nebraska Investment Finance Authority.

____

Notary Public in and for the State of Nebraska, County of Lancaster

Commission expires:__________________

ATTACHMENTS I & II

Double click on the icon below to open Attachments I & II.

Complete all yellow-shaded areas.

Worksheet in 2023 carryover.xlsx

Exhibit B

10% Test Certification

INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

(to be submitted under accounting firm's letterhead)

A. **General Instructions**

All requested information must be prepared in the format provided below. Submission of this report in any other format or without all requested items will not be accepted by NIFA. If any question is not applicable, mark N/A and if necessary, provide an explanation. The letter should be on the firm's letterhead with an original signature.

B. **Required Format**

Date: ____________

To: Nebraska Investment Finance Authority ("NIFA")
1230 "O" Street, Suite 200
Lincoln, Nebraska 68508-1402
Attn: Low Income Housing Tax Credit Division

RE: Low Income Housing Tax Credit Carryover Allocation
Name of Development: _____
NIFA LIHTC #: _____
Owner: _____

We have examined the accompanying Certification of Costs Incurred ("Exhibit_____") of the Owner for ______________________ (the "Development") as of ____________ _____, 20_____. Exhibit _____ is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on Exhibit _____ based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting Exhibit _____ and performing such other procedures as we considered necessary in the circumstances.

The accompanying Exhibit _____ was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service under the accrual method of accounting and by the NIFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The 10% Test includes an estimate prepared by the Owner of total development costs and reasonably expected basis, as defined in Treasury Regulation Section 1.42-6. We have not examined or performed any procedures in connection with such estimated total development costs and reasonable expected basis and, accordingly, we do not express any opinion or any other form of assurance on such estimates. Furthermore, even if the Development is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In our opinion, Exhibit ______ referred to above presents fairly, in all material respects, costs incurred for the Development as of _______________ ______ 20______, on the basis of accounting described above.

In addition to examining Exhibit______, we have, at your request, performed certain agreed-upon procedures, as enumerated below, with respect to the Development. These procedures, which were agreed to by the Owner and NIFA, were performed to assist you in determining whether the Development has met the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6. These agreed-upon procedures were performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

We performed the following procedures:

- We calculated, based on estimates of total development costs provided by the Owner, the Development's total reasonably expected basis, as defined in Treasury Regulation Section 1.42-6, to be $______ as of December 31, 2025.

- We calculated the reasonably expected basis incurred by the Owner as of _____ ______________, 20______ to be $______.

- We calculated the percentage of the developer fee incurred by the Owner as of ____________ ______, 20______to be ______% of the total development fee.

- We compared the reasonably expected basis incurred as of ____________ ______, 20______ to the total reasonably expected basis of the Development, and calculated that ______% had been incurred as of ____________ ______, 20______.

- We determined that the Owner uses the accrual method of accounting, and has not included any construction costs in carryover allocation basis that have not been properly accrued.

- Based on the amount of total reasonably expected basis listed above, for the Owner to meet the 10% test in accordance with Internal Revenue Code Section 42(h)(1)(E) and Treasury Regulation Section 1.42-6, we calculated that the Development needed to incur at least $_____ of costs prior to __________ _____, 20_____. As of __________ _____, 20_____, costs of at least $_____ had been incurred, which is approximately _____% of the total reasonably expected basis of the Development.

We were not engaged to, and did not, perform an audit of the Owner's financial statements or of the Development's total reasonably expected basis. Furthermore, even if the Development is developed and completed there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with NIFA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

City, State
_____________ _____, 20_____

NIFA
NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

2022 Cost Certification Procedures Manual

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

2022 FINAL COST CERTIFICATION PROCEDURES MANUAL

Nebraska Investment Finance Authority ("NIFA") Low Income Housing Tax Credit ("LIHTC") and Nebraska Affordable Housing Tax Credit ("AHTC") Final Cost Certification Procedures Manual (this "Manual") sets forth criteria and documentation required for requesting IRS Form 8609(s) and Nebraska Form 8609N(s).

SECTION 1.1 QUALIFYING FOR FINAL ALLOCATION OF LIHTC—IRS FORM 8609

An owner must notify NIFA when a development has been placed in service. NIFA will issue IRS Form 8609(s) and Nebraska Form 8609N(s) contingent upon the owner submitting one copy of all documentation detailed in Section 1.2(b) of this Manual to NIFA (the "Final Cost Certification Documentation") by:

(a) Developments Placed in Service During Calendar Year 2022. For developments placing in service in 2022, the owner must notify NIFA when the development has been placed-in-service and submit to NIFA within sixty (60) days following the placed in service date, the Final Cost Certification Documentation detailed in Section 1.2(b) of this Manual. If the owner is unable to meet the sixty (60) day submission deadline, information regarding extension requests can be found in Section 6.1 of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC. Note: Owner's requesting issuance of an IRS Form(s) 8609 and Nebraska Form(s) 8609N prior to the end of the calendar year must submit the Final Cost Certification by no later than December 1, 2022.

(b) Developments Placed in Service After Calendar Year 2022. For developments receiving a Firm Commitment during 2022 that will be placed in service after the end of the 2022 calendar year, the owner must submit to NIFA the Carryover Allocation Documentation as set forth in the Carryover Allocation and 10% Test Procedures Manual by November 1, 2022. Such developments must be placed-in-service no later than December 31, 2024. The owner must notify NIFA when the development has been placed in service and submit to NIFA within sixty (60) days following the placed in service date, the Final Cost

Certification Documentation detailed in Section 1.2(b) of this Manual. If the owner is unable to meet the sixty (60) day submission deadline, information regarding extension requests can be found in Section 6.1 of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC. Note: Owner's requesting issuance of an IRS Form(s) 8609 and Nebraska Form(s) 8609N prior to the end of the calendar year must submit the Final Cost Certification by no later than December 1, 2024.

SECTION 1.2 REQUIREMENTS FOR REQUESTING A FINAL ALLOCATION OF LIHTC/IRS FORM 8609

(a) Owners must submit **one complete copy (may be submitted electronically)** of the Final Cost Certification Documentation detailed in Section 1.2(b) to NIFA by the deadlines set forth in Section 1.1 of this Manual.

(b) Upon receipt and review of the following documentation, NIFA will prepare the Land Use Restriction Agreement (LURA). Once the LURA is signed and notarized by all parties and recorded in the county in which the development is located, NIFA will issue IRS Form(s) 8609 for each building in the development:

(1) Final Cost Certification in the form set forth in Exhibit A;

(2) Individual Building Cost Certification for each building in the development that is being placed in service, Attachment 1b of the Final Cost Certification;

(3) Placed in Service Acknowledgment for each building in the development that is being placed in service, Attachment 2 of the Final Cost Certification;

(4) Contractors Certification from the general contractor of the development, Attachment 3 of the Final Cost Certification;

(5) Annual development Expense and Permanent Financing Information certified by an independent, third-party certified public accountant, Attachment 4 of the Final Cost Certification;

(6) Syndicator Certifications from the Limited Partner/State Limited Partner/Member of the Owner, Attachment 5 and 5a of the Final Cost Certification;

(7) Architect Certification for developments that have first floor units (or all units are accessible by an elevator) which are designed and constructed for first time occupancy after March 31, 1991, certifying that on-site inspections were performed during construction and that the development has been constructed in compliance with the Fair Housing Amendment Act, Attachment 6 of the Final Cost Certification;

(8) Certification in the form of Exhibit B completed by an independent, third-party certified public accountant. For developments financed under the USDA-RD Section 515 program, owners may submit the RHS cost certification instead of the Audit Cost Certification;

(9) For developments under the CROWN Program, CROWN Program Compliance Letter in the form of Exhibit C;

(10) Recorded Warranty Deed reflecting the owner as the grantee and a copy of the settlement statement or an executed long-term ground lease reflecting the owner as leasee;

(11) An occupancy permit from the municipality in which the development is located or, in the case of rehabilitation developments, other information in form and substance acceptable to NIFA that demonstrates that the development has been placed in service;

(12) A copy of the owner's final title insurance policy;

(13) For rehabilitation developments, a final work write-up clearly stating the items included in the rehabilitation, the quantity of items rehabilitated or replaced and their associated cost;

(14) Evidence of any and all liens secured against the development;

(15) For each source of permanent financing provide a copy of the deed of trust(s) and promissory notes(s) for closed loans or firm commitment(s) for permanent loan(s) not closed. Note, the permanent financing amounts should tie to Attachment 4 of the Final Cost Certification;

(16) Certificate of Good Standing for the owner (within 30 days of submission of the Final Cost Certification);

(17) Payment of all applicable fees to NIFA, including upfront LIHTC and AHTC Annual fees;

(18) Final executed partnership or operating agreement identifying all partners/members;

(19) Completed and executed IRS Form 8821;

(20) For developments receiving Historic Rehabilitation Tax Credits, copy of the United States Department of the Interior National Park Service Part II;

(21) If points were received under the LIHTC Application for providing a Right of First Refusal, provide a copy of the executed Right of First Refusal;

(22) If points were received under the LIHTC Application for design standards, amenities, and/or green standards, the development's architect, developer and owner must certify in detail that the completed development includes the items committed to in the LIHTC application;

(23) If points were requested under Exhibit 213 of the LIHTC Application ("Supportive Services"), submit a **current** executed supportive service agreement with a qualified supportive services provider memorializing the terms of the plan submitted with the LIHTC Application;

(24) Certification from the owner that the development will comply with the Violence Against Women's Act, and provide prospective applicants and tenants with the Notice of Occupancy Rights Under the Violence Against Women Act;

(25) Provide a list of each BIN (Building Identification Number), the unit number(s) in that BIN, the corresponding address(s) of each unit, the number of bedrooms in each unit and the square footage of each unit;

(26) Provide contact information for property manager including address, phone and email; and

(27) If tax exempt bonds were used to finance the development, provide a certification from the accountant that at least 50% of the development's aggregate basis of the building(s) and land is financed by volume cap.

(28) Provide exterior photos of the completed development, including: playgrounds, community gardens, exterior additions, etc.

(29) Confirmation that the development is listed on housing.ne.gov, the free state resource for renters and landlords.

(30) Any additional information requested by NIFA.

(c) Upon review of the Final Cost Certification Documentation submitted, NIFA will notify the owner of any discrepancies in the submitted documentation and may request additional information to complete its review for the issuances of IRS Form 8609(s) and Nebraska Form 8609N(s). The owner will be given a deadline in which to correct any discrepancies and/or submit additional information. Failure to correct any discrepancies or provide additional information within the specified deadline may result in the revocation of the LIHTC and AHTC allocations.

(d) Upon the satisfactory completion of the conditions and requirements of this Manual, NIFA will generate the LURA, IRS Form 8609(s) and Nebraska Form 8609N(s) and forward to the owner. **NOTE:** The Form 8609(s) and 8609N(s) will be issued to the Owner upon receipt by NIFA of an executed and recorded LURA. The original IRS Form 8609(s) must be submitted to the Internal Revenue Service by the owner.

EXHIBIT A

FINAL COST CERTIFICATION

Complete the yellow-shaded areas in the following spreadsheets by double clicking on the icon below:

1. Final Cost Certification – Attachment 1.a
2. Individual Building Final Cost Certification (Complete for ALL Buildings) – Attachment 1.b
3. Placed In Service Acknowledgment (Complete for ALL Buildings) – Attachment 2
4. General Contractor's Certificate – Attachment 3
5. Annual Operating Expense Information – Attachment 4.a
6. Permanent Financing – Attachment 4.b
7. Syndicator Certification – Attachment 5
8. State Syndicator Certification –Attachment 5.a

Click on the following link to open the Hyperlink:

2022/2023 Cost Certification Worksheet

ATTACHMENT 6
ARCHITECT'S CERTIFICATE

ARCHITECT'S CERTIFICATE

The undersigned, being a duly licensed architect registered in the State of Nebraska, has prepared for ________________________ (the "Owner") final plans, working drawings and detailed specifications (and addenda) dated _______________ (collectively, the "Plans and Specifications") in connection with certain real property located in _____________, Nebraska (the "Development") for which the undersigned acknowledges will receive low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Accordingly, the undersigned hereby certifies to the Owner and Nebraska Investment Finance Authority that the Plans and Specifications comply with and conform in all respects to the requirements of existing law, have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction there over and that the Development as shown on the Plans and Specifications is in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Development is located. All conditions to the issuance of building permits have been satisfied.

In the opinion of the undersigned, the Development has been constructed in a good and workmanlike manner substantially in accordance with the Plans and Specifications and is free and clear of any damage or structural defects that would in any material respect affect the value of the Development. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of (i) the permanent certificate or certificates of occupancy for the Development (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations) and (ii) such other necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction there over pertaining to the construction of the Development.

The Development will be in compliance with all current zoning, environmental and other applicable laws, ordinances, rules and regulations, restrictions and requirements, including, without limitation, Title III of the Americans with Disabilities Act of 1990 and the Fair Housing Amendment Act, as it relates to the following:

- ***Accessible Building Entrance on an Accessible Route:***

  Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwellings with a building entrance on an accessible route the following six requirements apply.

- ***Accessible and Usable Public and Common Use Areas:***

Public and common use areas must be readily accessible to and usable by people with disabilities.

- ***Usable Doors:***

  All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

- ***Accessible Route Into and Through the Covered Dwelling Units:***

  There must be an accessible route into and through the dwelling units, provided access for people with disabilities throughout the unit.

- ***Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations:***

  All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

- ***Reinforced Walls for Grab Bars:***

  All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

- ***Usable Kitchens and Bathrooms:***

  Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

The above can be found in the Fair Housing Act Design Manual.

There are no building or other municipal violations filed or noted against the Development. All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Development are now available to the Development. All street drainage, water distribution and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.

The Plans and Specifications do not require the installation or use of any asbestos-containing materials in connection with the construction or use of the Development.

____________________________________ Dated: __________________________
Architect Name

By: _________________________________

Name: ______________________________

Title: _______________________________

EXHIBIT B

INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

INDEPENDENT AUDITORS' REPORT ON APPLYING

AGREED-UPON PROCEDURES

A. **General Instructions**

All requested information must be prepared in the format provided below. Submission of this report in any other format or without all requested items will not be reviewed by NIFA. If any question is not applicable, mark "N/A," and, if necessary, provide an explanation. The letter should be on the auditor's letterhead with an original signature.

B. **Required Format**

To: Nebraska Investment Finance Authority ("NIFA")
Suite 200
1230 O Street
Lincoln, NE 68508-1402
Attn: Low Income Housing Tax Credit Division

RE: Low Income Housing Tax Credit Allocation Request
Name of Development ____________________________
NIFA LIHTC # __________________________________
Development Owner Name _______________________

To Whom It May Concern:

We have examined the costs included in the accompanying NIFA Final Cost Certification (the "Final Cost Certification") of ________________ (the "Owner") for _____ (the "Development") as of ________ _____, 20_____. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Exhibit _____ and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by NIFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of $_____ and eligible basis of $_____ of the Owner for the Development as of _____________ _____, 20_____ on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with NIFA and should not be used for any other purpose.

We have no financial interest in the Development other than in the practice of our profession.

City, State
_____________ _____, 20_____

_________________________________ ___________________________

Signature of Principal of Firm Title

EXHIBIT C

CROWN PROGRAM COMPLIANCE LETTER

CROWN Program Compliance Letter

Owner Name: ____(the "Owner")

Development Name: ____(the "Development")

NIFA LIHTC Project No.: ____

Section 1: Description of CROWN Set-Aside

1. A long-term CROWN development is a rent to own housing unit pursuant to a plan and with documents approved in advance by NIFA that will be sold to a qualified tenant at the end of the 15 -year compliance period.

2. CROWN developments must set aside $50 per month for each tenant. This set-aside will be used by the tenant to assist in the purchase of a home at a future date.

Section 2: Development Specific CROWN Requirements

1. The Owner has constructed (list the number of housing units) _____ (the "Home(s)"), and at the end of the Development's 15--year compliance period will make these Homes available for sale to qualified tenants.

2. The cost per Home is $_________________ (average cost, based on Final Cost Certification Documentation submitted to NIFA on ________, _____, 20_____).

3. The Homes will be sold for a price determined under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended. The **minimum purchase price** under this subparagraph is an amount equal to the sum of:

   a. the principal amount of outstanding indebtedness secured by each Home (other than indebtedness incurred within the 5-year period ending on the date of the sale to a qualified tenant), plus
   b. all Federal, State, and local taxes attributable to such sale.

4. The Owner shall establish a "Rent to Own" program under which a qualified tenant can purchase a Home at the end of the Development's 15-year

compliance period. The Owner will establish a separate tenant escrow account for each tenant. The tenant escrow account shall be held in an interest bearing account and will be utilized as discussed in Section 1.2 above. The specific utilization of these funds can be for down-payment, closing cost assistance, and any physical upgrades as set forth in Section 6 which may be required on a replacement basis.

5. The Owner will provide to NIFA copies of all bank statements relating to the tenant escrow accounts described above, as requested throughout the term of the Development's 15-year compliance period.

6. The Owner will provide evidence that the following has been completed for each Home prior to the sale to a qualified tenant:

    a. Repair or replacement of the roof.
    b. Replacement of all appliances.
    c. Replacement of all floor coverings (vinyl and carpet).
    d. Complete repainting of all interior rooms.
    e. Replacement of garage door.

7. The estimated costs for the above renovations are estimated at $____________ per Home. The expense for these renovations will be funded from three (3) sources:

    a. Any remaining replacement reserves.
    b. Operating reserve.
    c. Any needed short term financing until the Home is sold.

8. The replacement reserve will be established by the Owner, and will be used for repair or replacement items as set forth in Section 6. During the Development's 15-year compliance period, $_____________ will be set-aside for the replacement reserve ($__________ per year).

9. The operating reserve will be established by the Owner, and will be used to fund any operating and/or debt-service shortfalls during the Development's 15-year compliance period. The amount of the required operating reserve for this Development equals $_____. This amount was taken from the Final Cost Certification Documentation submitted to NIFA on ____________, _____, 20_____.

NIFA
NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

2023 Cost Certification Procedures Manual

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

2023 FINAL COST CERTIFICATION PROCEDURES MANUAL

Nebraska Investment Finance Authority (“NIFA”) Low Income Housing Tax Credit (“LIHTC”) and Nebraska Affordable Housing Tax Credit (“AHTC”) Final Cost Certification Procedures Manual (this “Manual”) sets forth criteria and documentation required for requesting IRS Form 8609(s) and Nebraska Form 8609N(s).

SECTION 1.1 QUALIFYING FOR FINAL ALLOCATION OF LIHTC—IRS FORM 8609

An owner must notify NIFA when a development has been placed in service. NIFA will issue IRS Form 8609(s) and Nebraska Form 8609N(s) contingent upon the owner submitting one copy of all documentation detailed in Section 1.2(b) of this Manual to NIFA (the “Final Cost Certification Documentation”) by:

(a) Developments Placed in Service During Calendar Year 2023. For developments placing in service in 2023, the owner must notify NIFA when the development has been placed-in-service and submit to NIFA within sixty (60) days following the placed in service date, the Final Cost Certification Documentation detailed in Section 1.2(b) of this Manual. If the owner is unable to meet the sixty (60) day submission deadline, information regarding extension request can be found in Section 6.1 of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC. Note: Owner’s requesting issuance of an IRS Form(s) 8609 and Nebraska Form(s) 8609N prior to the end of the calendar year must submit the Final Cost Certification by no later than December 1, 2023.

(b) Developments Placed in Service After Calendar Year 2023. For developments receiving a Firm Commitment during 2023 that will be placed in service after the end of the 2023 calendar year, the owner must submit to NIFA the Carryover Allocation Documentation as set forth in the Carryover Allocation and 10% Test Procedures Manual by November 1, 2023. Such developments must be placed-in-service no later than December 31, 2025. The owner must notify NIFA when the development has been placed in service and submit to NIFA within sixty (60) days following the placed in service date, the Final Cost

Certification Documentation detailed in Section 1.2(b) of this Manual. If the owner is unable to meet the sixty (60) day submission deadline, information regarding extension request can be found in Section 6.1 of the 2022/2023 Housing Credit Allocation Plan for 9% LIHTC and AHTC. Note: Owner's requesting issuance of an IRS Form(s) 8609 and Nebraska Form(s) 8609N prior to the end of the calendar year must submit the Final Cost Certification by no later than December 1, 2025.

SECTION 1.2 REQUIREMENTS FOR REQUESTING A FINAL ALLOCATION OF LIHTC/IRS FORM 8609

(a) Owners must submit **one complete copy** (may be submitted electronically) of the Final Cost Certification Documentation detailed in Section 1.2(b) to NIFA by the deadlines set forth in Section 1.1 of this Manual.

(b) Upon receipt and review of the following documentation, NIFA will prepare the Land Use Restriction Agreement (LURA). Once the LURA is signed and notarized by all parties and recorded in the county in which the development is located, NIFA will issue IRS Form(s) 8609 for each building in the development:

(1) Final Cost Certification in the form set forth in Exhibit A;

(2) Individual Building Cost Certification for each building in the development that is being placed in service, Attachment 1b of the Final Cost Certification;

(3) Placed in Service Acknowledgment for each building in the development that is being placed in service, Attachment 2 of the Final Cost Certification;

(4) Contractors Certification from the general contractor of the development, Attachment 3 of the Final Cost Certification;

(5) Annual development Expense and Permanent Financing Information certified by an independent, third-party certified public accountant, Attachment 4 of the Final Cost Certification;

(6) Syndicator Certifications from the Limited Partner/State Limited Partner/Member of the Owner, Attachment 5 and 5a of the Final Cost Certification;

(7) Architect Certification for developments that have first floor units (or all units are accessible by an elevator) which are designed and constructed for first time occupancy after March 31, 1991, certifying that on-site inspections were performed during construction and that the development has been constructed in compliance with the Fair Housing Amendment Act, Attachment 6 of the Final Cost Certification;

(8) Certification in the form of Exhibit B completed by an independent, third-party certified public accountant. For developments financed under the USDA-RD Section 515 program, owners may submit the RHS cost certification instead of the Audit Cost Certification;

(9) For developments under the CROWN Program, CROWN Program Compliance Letter in the form of Exhibit C;

(10) Recorded Warranty Deed reflecting the owner as the grantee and a copy of the settlement statement or an executed long-term ground lease reflecting the owner as leasee;

(11) An occupancy permit from the municipality in which the development is located or, in the case of rehabilitation developments, other information in form and substance acceptable to NIFA that demonstrates that the development has been placed in service;

(12) A copy of the owner’s final title insurance policy;

(13) For rehabilitation developments, a final work write-up clearly stating the items included in the rehabilitation, the quantity of items rehabilitated or replaced and their associated cost;

(14) Evidence of any and all liens secured against the development;

(15) For each source of permanent financing provide a copy of the deed of trust(s) and promissory notes(s) for closed loans or firm commitment(s) for permanent loan(s) not closed. Note, the permanent financing amounts should tie to Attachment 4 of the Final Cost Certification;

(16) Certificate of Good Standing for the owner (within 30 days of submission of the Final Cost Certification);

(17) Payment of all applicable fees to NIFA, including upfront LIHTC and AHTC Annual fees;

(18) Final executed partnership or operating agreement identifying all partners/members;

(19) Completed and executed IRS Form 8821;

(20) For developments receiving Historic Rehabilitation Tax Credits, copy of the United States Department of the Interior National Park Service Part II;

(21) If points were received under the LIHTC Application for providing a Right of First Refusal, provide a copy of the executed Right of First Refusal;

(22) If points were received under the LIHTC Application for design standards, amenities, and/or green standards, the development's architect, developer and owner must certify in detail that the completed development includes the items committed to in the LIHTC application;

(23) If points were requested under Exhibit 213 of the LIHTC Application ("Supportive Services"), submit a **current** executed supportive service agreement with a qualified supportive services provider memorializing the terms of the plan submitted with the LIHTC Application;

(24) Certification from the owner that the development will comply with the Violence Against Women's Act, and provide prospective applicants and tenants with the Notice of Occupancy Rights Under the Violence Against Women Act;

(25) Provide a list of each BIN (Building Identification Number), the unit number(s) in that BIN, the corresponding address(s) of each unit, the number of bedrooms in each unit and the square footage of each unit;

(26) Provide contact information for property manager including address, phone and email; and

(27) If tax exempt bonds were used to finance the development, provide a certification from the accountant that at least 50% of the development's aggregate basis of the building(s) and land is financed by volume cap.

(28) Provide exterior photos of the completed development, including: playgrounds, community gardens, exterior additions, etc.

(29) Confirmation that the development is listed on housing.ne.gov, the free state resource for renters and landlords.

(30) Any additional information requested by NIFA.

(c) Upon review of the Final Cost Certification Documentation submitted, NIFA will notify the owner of any discrepancies in the submitted documentation and may request additional information to complete its review for the issuances of IRS Form 8609(s) and Nebraska Form 8609N(s). The owner will be given a deadline in which to correct any discrepancies and/or submit additional information. Failure to correct any discrepancies or provide additional information within the specified deadline may result in the revocation of the LIHTC and AHTC allocations.

(d) Upon the satisfactory completion of the conditions and requirements of this Manual, NIFA will generate the LURA, IRS Form 8609(s) and Nebraska Form 8609N(s) and forward to the owner. **NOTE:** The Form 8609(s) and 8609N(s) will be issued to the Owner upon receipt by NIFA of an executed and recorded LURA. The original IRS Form 8609(s) must be submitted to the Internal Revenue Service by the owner.

EXHIBIT A

FINAL COST CERTIFICATION

Complete the yellow-shaded areas in the following spreadsheets by double clicking on the icon below:

1. Final Cost Certification – Attachment 1.a
2. Individual Building Final Cost Certification (Complete for ALL Buildings) – Attachment 1.b
3. Placed In Service Acknowledgment (Complete for ALL Buildings) – Attachment 2
4. General Contractor's Certificate – Attachment 3
5. Annual Operating Expense Information – Attachment 4.a
6. Permanent Financing – Attachment 4.b
7. Syndicator Certification – Attachment 5
8. State Syndicator Certification –Attachment 5.a

Click on the following link to open the Hyperlink:

2022/2023 Cost Certification Worksheet

ATTACHMENT 6
ARCHITECT'S CERTIFICATE

ARCHITECT'S CERTIFICATE

The undersigned, being a duly licensed architect registered in the State of Nebraska, has prepared for _________________________ (the "Owner") final plans, working drawings and detailed specifications (and addenda) dated _______________ (collectively, the "Plans and Specifications") in connection with certain real property located in ______________, Nebraska (the "Development") for which the undersigned acknowledges will receive low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Accordingly, the undersigned hereby certifies to the Owner and Nebraska Investment Finance Authority that the Plans and Specifications comply with and conform in all respects to the requirements of existing law, have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction there over and that the Development as shown on the Plans and Specifications is in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Development is located. All conditions to the issuance of building permits have been satisfied.

In the opinion of the undersigned, the Development has been constructed in a good and workmanlike manner substantially in accordance with the Plans and Specifications and is free and clear of any damage or structural defects that would in any material respect affect the value of the Development. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of (i) the permanent certificate or certificates of occupancy for the Development (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations) and (ii) such other necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction there over pertaining to the construction of the Development.

The Development will be in compliance with all current zoning, environmental and other applicable laws, ordinances, rules and regulations, restrictions and requirements, including, without limitation, Title III of the Americans with Disabilities Act of 1990 and the Fair Housing Amendment Act, as it relates to the following:

- ***Accessible Building Entrance on an Accessible Route:***

  Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwellings with a building entrance on an accessible route the following six requirements apply.

- ***Accessible and Usable Public and Common Use Areas:***

Public and common use areas must be readily accessible to and usable by people with disabilities.

- ***Usable Doors:***

All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

- ***Accessible Route Into and Through the Covered Dwelling Units:***

There must be an accessible route into and through the dwelling units, provided access for people with disabilities throughout the unit.

- ***Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations:***

All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

- ***Reinforced Walls for Grab Bars:***

All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

- ***Usable Kitchens and Bathrooms:***

Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

The above can be found in the Fair Housing Act Design Manual.

There are no building or other municipal violations filed or noted against the Development. All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Development are now available to the Development. All street drainage, water distribution and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.

The Plans and Specifications do not require the installation or use of any asbestos-containing materials in connection with the construction or use of the Development.

__________________________________ Dated: _________________________
Architect Name

By: _______________________________

Name: ____________________________

Title: _____________________________

EXHIBIT B

INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

INDEPENDENT AUDITORS' REPORT ON APPLYING

AGREED-UPON PROCEDURES

A. **General Instructions**

All requested information must be prepared in the format provided below. Submission of this report in any other format or without all requested items will not be reviewed by NIFA. If any question is not applicable, mark "N/A," and, if necessary, provide an explanation. The letter should be on the auditor's letterhead with an original signature.

B. **Required Format**

To: Nebraska Investment Finance Authority ("NIFA")
Suite 200
1230 O Street
Lincoln, NE 68508-1402
Attn: Low Income Housing Tax Credit Division

RE: Low Income Housing Tax Credit Allocation Request
Name of Development ___________________________
NIFA LIHTC # _________________________________
Development Owner Name _______________________

To Whom It May Concern:

We have examined the costs included in the accompanying NIFA Final Cost Certification (the "Final Cost Certification") of ________________ (the "Owner") for _____ (the "Development") as of ________ _____, 20_____. The Final Cost Certification is the responsibility of the Owner and the Owner's management. Our responsibility is to express an opinion on the Final Cost Certification based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Exhibit _____ and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The accompanying Final Cost Certification was prepared in conformity with the accounting practices prescribed by the Internal Revenue Service, under the accrual method of accounting, and in conformity with the format and qualified allocation plan rules set by NIFA, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion the Final Cost Certification presents fairly, in all material respects, the actual costs of $_____ and eligible basis of $_____ of the Owner for the Development as of _____________ _____, 20_____ on the basis of accounting described above.

This report is intended solely for the information and use of the Owner and the Owner's management and for filing with NIFA and should not be used for any other purpose.

We have no financial interest in the Development other than in the practice of our profession.

City, State
______________ _____, 20_____

________________________________ __________________________
Signature of Principal of Firm Title

EXHIBIT C

CROWN PROGRAM COMPLIANCE LETTER

CROWN Program Compliance Letter

Owner Name: ____(the "Owner")

Development Name: ____(the "Development")

NIFA LIHTC Project No.: ______________________________________

Section 1: Description of CROWN Set-Aside

1. A long-term CROWN development is a rent to own housing unit pursuant to a plan and with documents approved in advance by NIFA that will be sold to a qualified tenant at the end of the 15 -year compliance period.

2. CROWN developments must set aside $50 per month for each tenant. This set-aside will be used by the tenant to assist in the purchase of a home at a future date.

Section 2: Development Specific CROWN Requirements

1. The Owner has constructed (list the number of housing units) _____ (the "Home(s)"), and at the end of the Development's 15--year compliance period will make these Homes available for sale to qualified tenants.

2. The cost per Home is $________________ (average cost, based on Final Cost Certification Documentation submitted to NIFA on ________, _____, 20_____).

3. The Homes will be sold for a price determined under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended. The **minimum purchase price** under this subparagraph is an amount equal to the sum of:

    a. the principal amount of outstanding indebtedness secured by each Home (other than indebtedness incurred within the 5-year period ending on the date of the sale to a qualified tenant), plus
    b. all Federal, State, and local taxes attributable to such sale.

4. The Owner shall establish a "Rent to Own" program under which a qualified tenant can purchase a Home at the end of the Development's 15-year

compliance period. The Owner will establish a separate tenant escrow account for each tenant. The tenant escrow account shall be held in an interest bearing account and will be utilized as discussed in Section 1.2 above. The specific utilization of these funds can be for down-payment, closing cost assistance, and any physical upgrades as set forth in Section 6 which may be required on a replacement basis.

5. The Owner will provide to NIFA copies of all bank statements relating to the tenant escrow accounts described above, as requested throughout the term of the Development's 15-year compliance period.

6. The Owner will provide evidence that the following has been completed for each Home prior to the sale to a qualified tenant:

   a. Repair or replacement of the roof.
   b. Replacement of all appliances.
   c. Replacement of all floor coverings (vinyl and carpet).
   d. Complete repainting of all interior rooms.
   e. Replacement of garage door.

7. The estimated costs for the above renovations are estimated at $____________ per Home. The expense for these renovations will be funded from three (3) sources:

   a. Any remaining replacement reserves.
   b. Operating reserve.
   c. Any needed short term financing until the Home is sold.

8. The replacement reserve will be established by the Owner, and will be used for repair or replacement items as set forth in Section 6. During the Development's 15-year compliance period, $_____________ will be set-aside for the replacement reserve ($__________ per year).

9. The operating reserve will be established by the Owner, and will be used to fund any operating and/or debt-service shortfalls during the Development's 15-year compliance period. The amount of the required operating reserve for this Development equals $_____. This amount was taken from the Final Cost Certification Documentation submitted to NIFA on ____________, _____, 20_____.

FINAL COST CERTIFICATION - Attachment 1.a

NIFA LIHTC Number: 7- ______ Total Number of Buildings: ______
Building Identification Numbers: ______

Owner Name: ______
Owner Mailing Address: ______
Owner's Federal Tax I.D. Number: ______

Development Name: ______
Development Address: ______

For purposes of the following, establish the total number and floor space of the LIHTC units and

Low-income Units:

Type of Unit (Bedroom size)	Number of Units	Size of Unit in Sq.Ft.	Total Sq.Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
			-			0
			-			0
			-			0
			-			0
			-			0
Total	0		-			

Market Rate Units:

Type of Unit (Bedroom size)	Number of Units	Size of Unit in Sq.Ft.	Total Sq.Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
			0			0
			0			0
			0			0
			0			0
			0			0
Total	0		-			

Grand Total 0 0

% Low Income - Units	#DIV/0!
% Low Income - Sq.Ft.	#DIV/0!
Applicable Fraction	#DIV/0!

Other Monthly Income: $ -
List source of other Income: ______

(b) Actual Development Cost Schedule:

1	2	3

	Actual	Acquisition Eligible	Rehab/New
Land			
Existing Structures			
Demolition (new)			
Demolition (rehab)			
Site Grading, Clearing, Etc.			
Off site Improvements			
New Building Hard Costs			
Rehabilitation Hard Costs			
Accessory Building			
Architect Fee-Design			
Architect Fee-Supervision			
Engineering Fees			
Survey			
Construction Insurance			
Construction Loan Interest			
Construction Loan Origination Fee			
Construction Period Taxes			
Bridge Loan Expense			
Property Appraisal			
LIHTC Fees			
AHTC Fees			
Environmental Study/Review			
Market Study			
Real Estate Attorney			
Real Estate Consultant			
LIHTC Consultant Fee			
Contractor Overhead			
Contractor Profit			
General Requirements			
Developer Overhead			
Developer Fee			
Title & Recording-Perm. Fin.			
Perm. Loan Orig. Fee			
Cost Certification			
Lenders Counsel Fee			
Underwriter Fees			
Legal & Organizational			
Tax Opinion			
Rent-up Reserves			
Operating Reserves			
Other Reseves			
Upfront LIHTC Compliance Fees			
Upfront AHTC Compliance Fees			
Other:			
Other:			
Other:			
Other:			
Other:			

Other:			
Other:			
Other:			
Total residential costs	**$ -**	**$ -**	**$ -**

	1	2	3
	*** Actual**	**Acquisition Eligible**	**Rehab/New**
Total Costs	$ -	$ -	$ -

SUBTRACT FROM ELIGIBLE BASIS:

Grant Proceeds		
Non-qualified Non-recourse Financing		
Non-qualified Portion of Higher Quality Units		
Historic Tax Credits (on residential portion only)		
Cost Attributable to Commercial Space in Development		
Over Architect/Engineering Fee Limit		
Over Developer/Contractor Fee Limit		
TOTAL ELIGIBLE BASIS **	$ -	$ -
Project Located in Qualified Census Tract (QCT) x 130% or Basis Boost Requested (up to 130%)		100%
TOTAL ADJUSTED ELIGIBLE BASIS	$ -	$ -
Multiplied by Applicable Fraction	#DIV/0!	#DIV/0!
TOTAL QUALIFIED BASIS	#DIV/0!	#DIV/0!
Multiplied by Applicable Percentage***	4.00%	9.00%
TOTAL LIHTC REQUESTED****	#DIV/0!	#DIV/0!

* Column 1 should reflect all actual costs expended for each category. These costs may not necessarily be reflected in Columns 2 and 3.

** For purposes of determining the amount of LIHTC allocable to the Development, NIFA will limit the amount of developer/contractor overhead, profit and fees, general requirements, and consultant fees included in the eligible basis to an amount not to exceed the limitation set forth in the scoring of the application for which it was reviewed and approved. Also, NIFA will limit the amount of architecture/engineering fees included in the eligible basis to an amount not to exceed the limitation set forth in the scoring of the application for which it was reviewed and approved.

NIFA may consider a modification of these limitations upon receipt of a written request submitted with the Final Cost Certification Documentation justifying the variance. If an identity of interest exists, NIFA may reduce the total amount of such fees if it deems such fees excessive.

Developer Fee/Acquisition of Existing Building. The developer fee will be allowed on the acquisition cost of an existing building that is to be rehabilitated. The developer fee will be limited to 5% of the building acquisition costs excluding the cost of land and fees associated with the purchase of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party and a settlement statement.

***The Applicable Percentage used should be the percentage for the month in which the building is placed-in-service or the elected percentage rate in the Carryover Allocation Agreement.

****The amounts should agree with the aggregated totals of columns 2 and 3 from each Individual Building Cost Certification.

The final amount of LIHTC for a Development will be determined by NIFA. **NOTE: NIFA will determine the amount of LIHTC to be allocated to any Development based upon the eligible basis and equity funding gap method.**

(c) Threshold Test for Rehabilitation Cost

To perform this test, project the total number of units and square footage to be occupied by low income households by the end of the first year of the Credit Period.

1. Total number of LIHTC units in the Development	0
2. Total square footage of LIHTC units	-
3. Unit fraction: Line 1 / total number of units in the Development	#DIV/0!
4. Square footage fraction: Line 2 / total net rentable square footage in the Development	#DIV/0!
5. Applicable fraction (lesser of Line 3 or 4)	#DIV/0!
6. Eligible basis for rehab LIHTC x Line 5	#DIV/0!
7. Threshold test for rehab LIHTC: Line 6 / Line 1 (This amount must equal or exceed $6,700)	#DIV/0!

Under the penalty of perjury, no information contained in the Final Cost Certification Documentation and the Attachments thereto is in any way false or incorrect, and that the information contained within those documents is truly descriptive of the Development for which the LIHTC are being requested. By my signature below, I also acknowledge that the total development cost, eligible basis amounts, and any other information contained in the Final Cost Certification documentation which may affect the amount of LIHTC allocated by the IRS Form(s) 8609 are final. I further realize that I may be asked to provide further information, detailed accounting records, documents, and receipts at the request of NIFA to facilitate the issuance of IRS Form(s) 8609.

Signature of Owner

Date

Printed Name of Signatory

0

Owner's Federal Tax I.D. Number

STATE OF

COUNTY OF

I, the undersigned, a Notary Public in and for said county, in said state, hereby certify that ___________________________________, whose name is signed to the foregoing conveyance, acknowledged before me on this date, being informed of such document, he/she as officer and with full authority, executed said conveyance voluntarily on the day the same bears date. Given under my hand and official Seal this _______ day of ____________________, 20___.

Notary Public	Commission Expires

INDIVIDUAL BUILDING FINAL COST CERTIFICATION - Attachment 1.b

NIFA LIHTC Number: 7- 0 Building ____ of 0 total bldgs
Building Identification Numbers:

Owner Name: 0
Owner Mailing Address: 0
Owner's Federal Tax I.D. Number: 0

Development Name: 0
Address for THIS BUILDING:

(a) Development Building and Rental Description:

For purposes of the following, establish the total number and floor space of the LIHTC units and

Low-income Units:

Type of Unit (Bedroom size)	Number of Units	Size of Unit in Sq.Ft.	Total Sq.Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
			-			0
			-			0
			-			0
			-			0
			-			0
Total	0		-			

Market Rate Units:

Type of Unit (Bedroom size)	Number of Units	Size of Unit in Sq.Ft.	Total Sq.Ft.	Gross Tenant Paid Rent	Utility Allowance	Net Tenant Paid Rent
			0			0
			0			0
			0			0
			0			0
			0			0
Total	0		-			

Grand Total 0 0

% Low Income - Units	#DIV/0!
% Low Income - Sq.Ft.	#DIV/0!
Applicable Fraction	#DIV/0!

(b) Total Development Cost Schedule for this Building:

	1	2	3
	Actual	Acquisition Eligible	Rehab/New Const.
Land			
Existing Structures			
Demolition (new)			
Demolition (rehab)			
Site Grading, Clearing, Etc.			
Off site Improvements			
New Building Hard Costs			
Rehabilitation Hard Costs			
Accessory Building			
Archtect Fee-Design			
Architect Fee-Supervision			
Engineering Fees			
Survey			
Construction Insurance			
Construction Loan Interest			
Construction LoanOrigination Fee			
Construction Period Taxes			
Birdge Loan Expense			
Property Appraisal			
LIHTC Fees			
AHTC Fees			
Environmental Study/Review			
Market Study			
Real Estate Attorney			
Real Estate Consultant			
LIHTC Consultant Fee			
Contractor Overhead			
Contractor Profit			
General Requirements			
Developer Overhead			
Developer Fee			
Title & Recording-Perm. Fin.			
Perm. Loan Orig. Fee			
Cost Certification			
Lenders Counsel Fee			
Underwriter Fees			
Legal & Organizational			
Tax Opinion			
Rent-up Reserves			
Operating Reserves			
Other Reserves			
Upfront LIHTC Compliance Fees			
Upfront AHTC Compliance Fees			
Other:			
Other:			
Other:			

Other:			
Other:			
Other:			
Other:			
Other:			
Total residential costs	**$ -**	**$ -**	**$ -**

	1	2	3
	*** Actual**	**Acquisition Eligible**	**Rehab/New**
Total Costs	$ -	$ -	$ -

SUBTRACT FROM ELIGIBLE BASIS:

Grant Proceeds		
Non-qualified Non-recourse Financing		
Non-qualified Portion of Higher Quality Units		
Historic Tax Credits (on residential portion only)		
Cost Attributable to Commercial Space in Development		
Over Architect/Engineering Fee Limit		
Over Developer/Contractor Fee Limit		
TOTAL ELIGIBLE BASIS **	$ -	$ -
Project Located in Qualified Census Tract (QCT) x 130% or Basis Boost Requested (up to 130%)		100%
TOTAL ADJUSTED ELIGIBLE BASIS	$ -	$ -
Multiplied by Applicable Fraction	#DIV/0!	#DIV/0!
TOTAL QUALIFIED BASIS	#DIV/0!	#DIV/0!
Multiplied by Applicable Percentage***	4.00%	9.00%
TOTAL LIHTC REQUESTED******	#DIV/0!	#DIV/0!

* Column 1 should reflect all actual costs expended for each category. These costs may not necessarily be reflected in Columns 2 and 3.

** For purposes of determining the amount of LIHTC allocable to the Development, NIFA will limit the amount of developer/contractor overhead, profit and fees, general requirements, and consultant fees included in the eligible basis to an amount not to exceed the limitation set forth in the scoring of the application for which it was reviewed and approved. Also, NIFA will limit the amount of architecture/engineering fees included in the eligible basis to an amount not to exceed the limitation set forth in the scoring of the application for which it was reviewed and approved.

NIFA may consider a modification of these limitations upon receipt of a written request submitted with the Final Cost Certification Documentation justifying the variance. If an identity of interest exists, NIFA may reduce the total amount of such fees if it deems such fees excessive.

Developer Fee/Acquisition of Existing Building. The developer fee will be allowed on the acquisition cost of an existing building that is to be rehabilitated. The developer fee will be limited to 5% of the building acquisition costs excluding the cost of land and fees associated with the purchase of the land. Acquisition cost of the existing building(s) must be supported by an appraisal from an unrelated third party and a settlement statement.

***The Applicable Percentage used should be the percentage for the month in which the building is placed-in-service or the elected percentage rate in the Carryover Allocation Agreement.

****The amounts should agree with the aggregated totals of columns 2 and 3 from each Individual Building Cost Certification.

The final amount of LIHTC for a Development will be determined by NIFA. **NOTE: NIFA will determine the amount of LIHTC to be allocated to any Development based upon the eligible basis and equity funding gap method.**

(c) Threshold Test for Rehabilitation Cost

To perform this test, project the total number of units and square footage to be occupied by low income households by the end of the first year of the Credit Period.

1. Total number of LIHTC units in the Development	0
2. Total square footage of LIHTC units	-
3. Unit fraction: Line 1 / total number of units in the Development	#DIV/0!
4. Square footage fraction: Line 2 / total net rentable square footage in the Development	#DIV/0!
5. Applicable fraction (lesser of Line 3 or 4)	#DIV/0!
6. Eligible basis for rehab LIHTC x Line 5	#DIV/0!
7. Threshold test for rehab LIHTC: Line 6 / Line 1 (This amount must equal or exceed $7,100-amount subject to change based on §42 rehabilitiation requirements.)	#DIV/0!

PLACED IN SERVICE ACKNOWLEDGMENT - Attachment 2

NIFA LIHTC Number: 7- 0 Building 1 of 0 total bldgs

Development Name: 0
Building Address:
Building Identification Number (BIN):

I (we) 0

hereinafter known as the “Owner,” hereby certifies that all units in the above-referenced Building are complete, ready and suitable for occupancy. I (we) hereby certify that I (we) have read and understand Sections 42(e)(3) and 42(e)(4) of the Internal Revenue Code of 1986, as amended (the "Code") and that the costs claimed for LIHTC attributable to this building are true and accurate.

I (we) understand that NIFA may request additional documentation to complete its review of the Final Cost Certification Documentation. I (we) hereby certify that I (we) have read, understand and agree to abide by the Code, the rules of NIFA, the Cost Certification Procedures Manual and the compliance and monitoring requirements set forth in the Qualified Allocation Plan.

I certify that this Building was Placed-in-Service by:

Date Building Placed in Service ____________ mm/dd/yyyy

Signature of Owner ____________ Date ____________

Printed Name of Signatory

0
Owner's Federal Tax I.D. Number

GENERAL CONTRACTOR'S CERTIFICATE - Attachment 3

The undersigned served as the general contractor of the real property constructed at:

______________________________ (Address)

for 0 (Owner)

for which the undersigned acknowledges is to receive low-income housing tax credits under Section 42 of the Internal Revenue Code if 1986, as amended. Accordingly, the undersigned hereby certifies to the Owner and the Nebraska Investment Finance Authority that the Development was constructed in conformity with the Plans and Specifications dated

______________ and in accordance with the design standards, green standards, and

amenities set forth in the owner's low income housing tax credit application dated ______________

Dated ______________

____
Name of General Contractor

By ______________________________
(Signature)

Name ______________________________
Printed Name of Signatory

Title ______________________________

ANNUAL OPERATING EXPENSE INFORMATION
(Attachment 4.a)

Development Name: 0 **NIFA #: 7-** 0

(a)	General and/or Administrative Expenses:	
	Advertising	
	Legal	
	Accounting/Auditing	
	Security	
	Management Fee	
	Other	
	Total General and/or Administrative Expenses	$ -
	NIFA Annual LIHTC Compliance Fee	
	NIFA Annual AHTC Compliance Fee	
(b)	Operating Expenses:	
	Trash Removal	
	Electricity	
	Water/Sewer	
	Gas	
	Snow Removal	
	Internet Service	
	Office Supplies	
	Salaries	
	Other	
	Total Operating Expenses	$ -
(c)	Maintenance Expenses:	
	Painting & Repairs	
	Exterminating	
	Grounds / Landscape	
	Elevator	
	Internet Maintenance Costs	
	Other	
	Total Maintenance Expenses	$ -
(d)	Other Expenses:	
	Insurance	
	Real Estate Taxes (Assessed Value: _______ x Mill Levy Rate: _____)	
	Annual Commercial Space Expenses	
	Other	
	Total Other Expenses	$ -
	Total Expenses (total (a) through (d) above)	$ -
(e)	Additional Information:	
	Annual Replacement Reserves	

Estimated annual increase in Expenses must be 3%.

How were expenses and reserves determined?

PERMANENT FINANCING - Attachment 4.b

Development Name: 0 **NIFA #: 7-** 0

List all Permanent Financing Sources for the Development

Debt					
Name of Lender Address of Lender(s) Contact Person Phone Number	Amount of Funds ($)	Annual Debt Service ($)	Interest Rate	Amort. Period (mos.)	Term of Loan (years)
	$ -	$ -			
	$ -	$ -			
	$ -	$ -			
	$ -	$ -			
Sub-total (Debt)	$ -	$ -			

Equity	
Proceeds from the Sale of LIHTCs	$ -
Proceeds from the Sale of AHTCs	
Proceeds from the Sale of Federal Historic Tax Credits	$ -
Developer Equity	$ -
Other:	$ -
Other:	$ -
Other:	$ -
Other:	$ -
Sub-total (Equity)	$ -
Grand Total	$ -
Difference from Total Uses	$ -

SYNDICATOR CERTIFICATION - ATTACHMENT 5

The undersigned as the Limited Partner/Member of 0
(Owner)

Owner of the real property located at

(Address)

otherwise known as

(Development Name)

hereby certifies that based on an LIHTC amount of

the total amount of equity provided was ____________ which equates to a price per credit of ____________ .

Dated

Name of Limited Partner/Member

By

(Signature)

Name

Printed Name of Signatory

Title

SYNDICATOR CERTIFICATION - ATTACHMENT 5.a

The undersigned as the Limited Partner/Member of 0
(Owner)

Owner of the real property located at

(Address)

otherwise known as

(Development Name)

hereby certifies that based on an LIHTC amount of

the total amount of equity provided was which equates to a price per credit of .

Dated

Name of Limited Partner/Member

By

(Signature)

Name

Printed Name of Signatory

Title

LOW-INCOME HOUSING TAX CREDITS

2022/2023 Land Use Restriction Agreement (LURA)

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

LAND USE RESTRICTION AGREEMENT
FOR LOW INCOME HOUSING TAX CREDITS

Between

NEBRASKA INVESTMENT FINANCE AUTHORITY,
as Authority

and

[________________________________]
as Owner

WHEN RECORDED RETURN TO:

Nebraska Investment Finance Authority
Suite 200
1230 O Street
Lincoln, NE 68508-1402
Attention: Executive Director

LAND USE RESTRICTION AGREEMENT
FOR LOW INCOME HOUSING TAX CREDITS

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is entered into as of the date set forth on the Summary Page hereof among the **NEBRASKA INVESTMENT FINANCE AUTHORITY** (the "Authority"), a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions under the constitution and laws of the State of Nebraska, the **OWNER IDENTIFIED ON THE SUMMARY PAGE HEREOF** (the "Owner") and the Lender or Lenders identified on the Summary Page hereof (the "Lender").

W I T N E S S E T H:

WHEREAS, the Authority has been designated by the Governor of the State of Nebraska as the housing tax credit entity for the State of Nebraska for the allocation of low income housing tax credit dollars; and

WHEREAS, the Owner is or shall be the owner of the rental housing development located and as described on the Summary Page hereof and in Exhibit A hereto (the "Project"); and

WHEREAS, the Owner has applied to the Authority for an allocation of federal low income housing tax credit ("LIHTC") to the Project in an amount not to exceed the amount set forth on the Summary Page hereof; and

WHEREAS, the Owner has applied to the Authority for an allocation of Nebraska state affordable housing tax credit ("AHTC") to the Project in an amount not to exceed the amount set forth on the Summary Page hereof; and

WHEREAS, the Owner and the Project must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder (the "Regulations"); and

WHEREAS, compliance by the Owner and the Project with Section 42 of the Code is in large part within the control of the Owner; and

WHEREAS, the Authority is unwilling to allocate LIHTC or AHTC to the Project unless the Owner shall, by entering into this Agreement, consent to be regulated by the Authority in order that the Authority may enforce the occupancy restrictions and other covenants, terms and conditions of this Agreement in accordance with the Code and the Regulations; and

WHEREAS, the Owner has represented to the Authority in the Owner's LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Application (the "Application"), the provisions of which are deemed incorporated in this Agreement as if set forth herein, that the Owner shall lease at least the Applicable Set-Aside Percentage of the Dwelling Units in the Project to individuals or families whose income is the Applicable Income Percentage or less of area median gross income (including adjustments for family size) as determined in accordance with the Code ("Qualified Tenants"); and

WHEREAS, the Owner intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the land for the term stated herein and binding upon all subsequent owners of the Project for such term and are not merely personal covenants of the Owner.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and the Authority agree as follows:

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof, and all words and phrases defined in Section 42 of the Code shall have the same meanings in this Agreement:

"*Affordability Period*" means the period beginning on the Occupancy Date and ending on the date which is the Required Number of Years after the Occupancy Date as set forth on the Summary Page.

"*Applicable Income Percentage*" means the percentage stated on the Summary Page hereof as the percentage of area median gross income, which may not be exceeded by individuals or families qualifying as Qualified Tenants.

"*Applicable Set-Aside Percentage*" means the percentage stated on the Summary Page hereof as the percentage of Dwelling Units in the Project to be leased to Qualified Tenants.

"*Dwelling Units*" means the units of multifamily residential rental housing comprising the Project.

"*Functionally Related and Subordinate*" means and includes facilities for use by tenants; for example, laundry facilities, parking areas and recreational facilities, provided that the same are of a character and size commensurate with the character and size of the Project.

"*Occupancy Date*" means the first day on which the Project is placed in service, as set forth on the Summary Page hereof.

"*Project*" means the Project Site and all buildings, structures, fixtures, equipment and other improvements now or hereafter constructed or located upon the Project Site.

"*Project Site*" means the real property described in Exhibit A attached hereto.

"*Qualified Basis*" as set forth on the Summary Page.

"Qualified Contract Required Number of Years" means the minimum number of years after the Occupancy Date, as set forth on the Summary Page (or if an election is made by the Owner pursuant to Section 42(f)(1) of the Code, after the succeeding taxable year set forth on the Summary Page), after which this Agreement shall terminate subject to the terms of Section 5 of this Agreement, provided that the Owner has requested that the Authority assist in procuring a "qualified contract" in accordance with Section 42(h)(6) of the Code and that the Authority or other entity has been unable to present such a qualified contract.

"*Qualified Tenants*" means and includes individuals and families whose income is equal to or less than the Applicable Income Percentage of area median gross income (including adjustments for family size) as elected and determined in accordance with the Code and Regulations. Except as otherwise provided herein, the occupants of a Dwelling Unit shall not be considered to be of low income if any occupant is a student (as defined in Section 151(c)(4) of the Code). Notwithstanding the foregoing, a Dwelling Unit is not disqualified as a Qualified Unit merely because it is occupied (i) by a student receiving AFDC or TANF assistance under Title IV of the Social Security Act, (ii) by a student who was previously under the care and placement responsibility of the state agency responsible for administrating a plan under Part B or Part E of Title IV of the Social Security Act, (iii) by a student in a government-supported job training program, (iv) entirely by full-time students who are single parents and their children, provided such occupants are not dependents (as defined in Code Section 152, determined without regard to subsection (b)(1), (b)(2), and (d)(1)(B) thereof) of another person or (v) by full-time students who are married and file a joint return. The determination of whether an individual or family is a Qualified Tenant shall be made at least annually on the basis of the current income of such occupants. Any Dwelling Unit occupied by an individual or family who is a Qualified Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Qualified Tenant, provided that, should such Qualified Tenant's income subsequently exceed 140% of the applicable income limit, such tenant shall no longer be a Qualified Tenant if, after such determination of income, but prior to the next determination, any residential unit of comparable or smaller size is rented to a tenant who is not a Qualified Tenant.

"*Qualified Unit*" means a Dwelling Unit in the Project designated for occupancy by Qualified Tenants.

"*Related Persons*" means two or more persons related within the meaning of Section 147(a)(2) of the Code, including, but not limited to, familial and trust relationships, actual or attributed partnership interests, related corporations and certain corporate shareholders.

"*Rent Restricted Unit*" means a Dwelling Unit if the gross rent with respect to the Dwelling Unit does not exceed 30% of the imputed income limitation applicable to such Dwelling Unit (based on the number of bedrooms therein in accordance with Section 42(g)(2)(C) of the Code).

"*Required Number of Years*" means the number of years after the Occupancy Date on which the Affordability Period expires and as set forth on the Summary Page.

"Supportive Services and Amenities" means the supportive services and amenities provided by the Owner to the tenants as set forth in the Application or on the Summary Page.

Section 2. Representation, Covenants and Warranties of the Owner. The Owner makes the following representations and warranties to induce the Authority to enter into this Agreement and further represents, warrants and covenants that:

Section 3. Residential Rental Project. The Owner hereby agrees that the Project is to be developed, owned, managed and operated for the Affordability Period as "residential rental property," as such phrase is used in Section 42(d) of the

Code, on a continuous basis during the Affordability Period. To that end, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The estimated cost (or final cost, if applicable) of the acquisition, construction and rehabilitation of the Project will be equal to or in excess of the amount set forth on the Summary Page.

(b) The Project constitutes and will continue to constitute "residential rental property," as defined in Section 42 of the Code and the Regulations, the Dwelling Units of which will be rented or available for rental on a continuous basis to members of the general public.

(c) If the Owner becomes aware of any situation, event or condition, which would result in noncompliance of a Dwelling Unit, the Project or the Owner with Section 42 of the Code or the Regulations, the Owner shall promptly give written notice thereof to the Authority.

(d) That all of the Dwelling Units will be similarly constructed and that each Dwelling Unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family (unless the Project qualifies as a single-room occupancy project or as transitional housing for the homeless pursuant to Section 42(i)(3) of the Code).

(e) That each building in the Project will remain suitable for occupancy taking into account all federal, state and local health, safety and building codes (or other habitability standards).

(f) That none of the Dwelling Units in the Project shall at any time be utilized on a transient basis (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless pursuant to Section 42(i)(3) of the Code); that none of the Dwelling Units in the Project shall be leased or rented for a period of less than six (6) months (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless pursuant to Section 42(i)(3) of the Code); and that neither the Project nor any portion thereof shall be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park, trailer court, mobile home park, or recreational vehicle park or by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code).

(g) That once available for occupancy each Dwelling Unit in the Project must be rented or available for rental on a continuous basis to members of the general public on a non-transient basis (except for transitional housing for the homeless or single-room occupancy units provided under Section 42(i)(3)(B)(iii) and (iv) of the Code) for the Affordability Period.

(h) That the Dwelling Units in the Project shall be leased and rented to members of the general public in compliance with the Code and this Agreement, except for any units rented under the housing program pursuant to Section 8 of the United States Housing Act of 1937, as amended, which will be leased to eligible tenants in accordance with the constraints and regulations of such housing program.

(i) That the Project shall consist of one or more proximate buildings or structures located on a single tract of land which have similarly constructed units financed pursuant to a common plan (unless the Project qualifies as a scattered site project under Section 42(g)(7) of the Code), together with functionally related and subordinate facilities which shall be owned by the Owner or a Related Person.

(j) That the Owner shall not discriminate on the basis of race, religion, color, sex, sexual preference, age, handicap, marital status, national origin, familial status, source of income or disability in the lease, use or occupancy of the Project or in employment of persons for the operation and management of the Project.

(k) That the Owner will accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program, and, in connection therewith, the Owner will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(l) That the Owner will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, state or local program or on the basis that they have a minor child or children living with them.

(m) That the Owner will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting the Owner of the Project to noncompliance with Section 42 of the Code and the Regulations.

(n) That the Owner (i) will not dispose to any person or entity any portion of the Project to which this Agreement applies, unless all of the Project is disposed of to such person or entity and (ii) may sell, transfer or exchange the entire Project at any time, provided the Owner shall obtain the prior written consent of the Authority as set forth in Section 14 hereof prior to such sale, transfer or other disposition of the Project and shall obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Agreement. The Owner shall promptly notify the Authority of such transfer. This provision shall not act to waive any other restriction on such sale, transfer or exchange of the Project.

(o) That the Owner (or its property manager with respect to the Project) shall attend in each year of the Affordability Period at least one of the property management/compliance monitoring sessions sponsored by the Authority.

(p) For each year of the Affordability Period, the Owner will submit to the Authority a copy of the Project's filed IRS Form 1065.

Section 4. Occupancy Restrictions. For the purpose of satisfying the requirements of Section 42 of the Code and the requirements of the Authority, for the duration of the Affordability Period, the Owner hereby represents, covenants and agrees as follows:

(a) At least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project (excluding Dwelling Units not previously occupied) shall be both Rent Restricted Units and occupied solely by Qualified Tenants, prior to the satisfaction of which no additional units shall be rented or leased to any other tenants after initial rental occupancy of Dwelling Units by Qualified Tenants, as required by Section 42 of the Code. For purposes of satisfying the requirement that not less than the Applicable Set-Aside Percentage of the Dwelling Units be occupied by Qualified Tenants, no Qualified Tenant shall be denied continued occupancy because, after admission, the Qualified Tenant's family income exceeds the applicable qualifying income level set forth in the definition of “Qualified Tenant” herein. The Owner shall at all times during the Affordability Period maintain the percentage requirements of this Agreement by providing the next available unit of comparable or smaller size to Qualified Tenants as needed to achieve compliance with the foregoing requirements. If necessary, the Owner shall refrain from renting Dwelling Units in the Project to persons other than Qualified Tenants in order to avoid violating the requirement that at all times during the Affordability Period at least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project shall be both a Rent Restricted Unit and occupied by Qualified Tenants.

(b) To obtain and maintain on file for each Qualified Tenant residing at the Project (which shall be obtained and updated each year during occupancy by such tenant), a copy of such tenant’s executed Certification of Tenant Eligibility and Income Verification (in such form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Authority, the Department of the Treasury or the Internal Revenue Service (the “IRS”)), as well as supporting documentation, which is subject to independent investigation and verification by the Authority and which shall be submitted to the Authority as set forth in (c) below.

(c) The Owner will immediately notify the Authority if at any time any of the Qualified Units in the Project are not occupied or available for occupancy as provided above. In addition, the Owner will prepare and submit to the Authority, no later than January 15 of each year following the first year of the Affordability Period, (i) a Certificate of Continuing Program Compliance (the form of which is published on the website of the Authority or otherwise available from the Authority) and (ii) an Annual Tax Credit Summary Report (the form of which is published on the website of the Authority or otherwise available from the Authority), both executed by the Owner stating the number of Dwelling Units in the Project which, as of the first date of each previous calendar year, were occupied by Qualified Tenants (or were deemed to be occupied by Qualified Tenants as provided in subparagraph (a) above for all or part of such period), together with copies of annual Certifications of Tenant Eligibility and Income Verification (and supporting documentation) collected by the Owner.

(d) The Owner shall collect and keep records for each qualified low income building in the Project, and submit to the Authority as required by this Section 4, which show for each year during the Affordability Period the following information for each building in the Project and shall retain such records for at least six (6) years after the due date (with extensions) for filing the federal tax return for that year (provided, however, that the records for the first (1st) year of the Affordability Period must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building):

(i) the total number of Dwelling Units in each building (including the number of bedrooms and the size in square feet of each residential rental unit);

(ii) the percentage of Dwelling Units in each building that are Qualified Units;

(iii) the rent charged for each Dwelling Unit in the building, including any utility allowances;

(iv) the Supportive Services and Amenities, as set forth in the Application and on the Summary Page, including any amendments thereto agreed to by the Authority and the Owner. The Owner shall specify the ongoing monthly cost of each Supportive Service and Amenity, per Dwelling Unit, and, for any Supportive Services and Amenities which are not fully paid by the Owner, as applicable, the monthly cost to Qualified Tenants of each Supportive Service and Amenity available if a Qualified Tenant elects to pay for such Supportive Services or Amenities.

(v) the number of occupants in each Qualified Unit and any changes in the number of occupants in each Qualified Unit;

(vi) the Qualified Unit vacancies in each building and information that indicates when and to whom the next available units were rented to;

(vii) the annual income certification of each Qualified Tenant per Qualified Unit;

(viii) documentation to support each Qualified Tenant's annual income certification (for example, a copy of the Qualified Tenant's federal income tax return, Forms W-2 or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Tenant income is to be calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8") and not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this subsection 4(d)(vii) is satisfied if the public housing authority provides a statement to the Owner declaring that the tenant's income does not exceed the applicable income limit under Code Section 42(g);

(ix) the eligible basis and the Qualified Basis of each building at the end of the first year of the Affordability Period; and

(x) the character and use of the nonresidential portion of each building included in the eligible basis of the building under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities or facilities reasonably required by the Project);

(e) Throughout the Affordability Period, the Authority, or its designated agent, shall have the right to perform inspections of the Project (including each building in the Project and each unit in each building), in any manner determined by the Authority, including, but not limited to, onsite inspections and virtual inspections.

(f) The form of lease to be used by the Owner in renting any Dwelling Units in the Project to Qualified Tenants shall provide for termination of the lease and consent by such person to immediate eviction proceedings in accordance with state law for failure to meet the requirements of a Qualified Tenant, as applicable, as a result of any material misrepresentation made by such person with respect to his or her income, the failure to provide supporting income verification or failure by such person to annually update the Certification of Tenant Eligibility and Income Verification.

(g) To permit any duly authorized representative of the Authority, the Department of the Treasury or the IRS to inspect the books and records of the Owner pertaining to the incomes of the Qualified Tenants residing in the Project, including, but not limited to, each tenant file.

(h) Throughout the Affordability Period, to target rents, to comply with targeted rent levels and to comply all other conditions of targeting as set forth on the Summary Page hereof.

Section 5. Term of Restrictions.

(a) The term of the occupancy restriction set forth in Section 4 of this Agreement shall (i) commence on the Occupancy Date and (ii) end on the date which is the Required Number of Years after the Occupancy Date (the "Affordability Period"). During the Affordability Period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Dwelling Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section 42 of the Code with respect to any Qualified Unit.

(b) For the duration of the Affordability Period, the Owner shall comply with the requirements of Section 42(h) of the Code relating to an extended use period (a minimum of 15 years or such greater number of years as set forth on the Summary Page hereof) for a total Required Number of Years as set forth on the Summary Page; provided, however, that, with respect to any building that is part of the Project, this Agreement shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure (including a deed of trust), if the foreclosure or instrument in lieu of foreclosure is determined to be in compliance with Section 42(h)(6) of the Code; or

(ii) after the expiration of the Qualified Contract Required Number of Years, but only if the Owner has properly requested, in accordance with Section 42(h)(6) of the Code, that the Authority assist in procuring a qualified contract for the acquisition of the non-low income portion of the building for fair market value and the low income portion of such building for an amount not less than the price specified in Section 42(h)(6) of the Code, and the Authority is unable to present a qualified contract within one (1) year after the date the written request submitted to the Authority, and the request has been reviewed by the Authority and determined to be in compliance with the requirements of the Authority and Section 42(h)(6) of the Code. [If the option to request a Qualified Contract has been waived pursuant to the Application, delete (ii) above.]

In the event foreclosure proceedings are initiated, the Authority shall receive notice of such foreclosure from the Owner no less than 30 days prior to such foreclosure.

(c) Notwithstanding the foregoing in subsections (a) and (b) above, the rent requirements set forth in Section 42 of the Code shall continue with respect to the Qualified Units for a period of three (3) years following the termination or expiration of this Agreement. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Qualified Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section 42 of the Code with respect to such Qualified Unit (the “Vacancy Decontrol Rule”), regardless of whether the tenant is an existing tenant or a new tenant occupying the Qualified Unit subsequent to the termination of this Agreement. In addition, during such three-year period, the Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program or similar state or local voucher or certificate program, and, in connection therewith, the Owner will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(d) If the Project experiences financial trouble the Owner may request a waiver from the Authority of the applicable rent restrictions stated on the Summary Page of this Agreement. The right to grant a rent restriction waiver is vested in the Executive Director of the Authority. A waiver will be based on written evidence submitted to the Authority by the Owner which must be evaluated and certified by an independent third-party CPA. The Authority may waive or adjust the rent restrictions stated on the Summary Page for a period not to exceed 36 months. After 30 months, a review by the Authority of the current evidence will be conducted to determine if the waiver should be extended.

Conditions justifying a waiver of the rent restrictions include, but are not limited to the following:

(i) Extraordinary changes in the operating expenses of the Project;

(ii) Capital requirements that are necessary to maintain a safe and sanitary Dwelling Unit, suitable for occupancy; or

(iii) A Project lender originates changes to the financial conditions and debt arrangement that substantially impacts the debt service coverage ratio requirements of the Project.

Any dispute of a waiver decision by the Executive Director of the Authority can be appealed by the Owner of the Project and settled by arbitration. Absent agreement to a different forum or arbitration panel, such arbitration proceeding shall be conducted under the Commercial Rules of the American Arbitration Association. Regardless of the forum, the prevailing party (if there is a prevailing party as determined by the arbitration panel) shall be entitled to reimbursement of its filing fees and arbitrator's fees from the non-prevailing party, to be assessed as part of the arbitration award. The arbitration panel shall consist of the following mutually acceptable representatives:

(A) A representative selected by the Executive Director of the Authority, which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management);

(B) A representative selected by the Owner of the Project, which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management) ; and

(C) A representative from the American Arbitration Association or other agreed upon, certified mediator or arbitrator (moderator or voting member).

Under no circumstances shall the waiver process provide an opportunity for the Project to deviate from the rent restrictions stated on the Summary Page because of improved market conditions or for any reason other than an increase in the Project's county area median income, without the prior approval of the Executive Director of the Authority.

Section 6. Internal Revenue Service Notification. In the event the Authority discovers any noncompliance of any provisions of this Agreement, the Authority shall immediately give written notice to the Owner. The Owner shall have sixty (60) days from the date of such notice (the "Correction Period") to correct such noncompliance. Following the Correction Period, the Authority will file with the IRS a copy of IRS Form 8823, explaining the nature of the noncompliance and whether or not such noncompliance has been corrected. Noncompliance includes, but is not limited to (a) failure to receive or failure to permit the Authority to inspect tenant income certifications, supporting documentation and/or rent records, (b) upon inspection, noncompliance with provisions of Section 42 of the Code, and (c) any change in the applicable fraction or eligible basis of the Project that would result in a decrease in the Qualified Basis.

The Authority is authorized and entitled to do all acts necessary to comply with the monitoring and notification responsibilities set forth in Section 42(m)(1)(B)(iii) of the Code and any Regulations or other interpretations thereof by the IRS or the courts.

Section 7. Covenants Run With the Project Site. The Owner hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be deemed covenants running with the Project Site and shall pass to and be binding upon the Owner's successors in title including any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

Section 8. Uniformity; Common Plan. The provisions of this Agreement shall apply uniformly to the entire Project to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 9. Remedies; Enforceability. In the event of a violation or attempted violation of any of the provisions of this Agreement, any one or more of the following may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to recover monetary damages caused by such violation or attempted violation: (a) the Authority or any governmental entity succeeding to the Authority's functions, or (b) any individual who meets the income limitation applicable under Section 42 of the Code (whether prospective, present or former occupant). The provisions of this Agreement are imposed upon and made applicable to the Project and shall run with the Project Site and shall be enforceable against the Owner and each purchaser, grantee, owner or lessee of the Project or any portion thereof or interest therein, at any time and from time to time, and the respective heirs, legal representatives, successors and assigns of the Owner and each such purchaser, grantee, owner or lessee. No delay in enforcing the provisions of this Agreement as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation of any similar breach or violation thereof at any later time or times. In addition, if any violation of this Agreement is not corrected on a timely basis, the Authority may impose quarterly reporting responsibilities pertaining to such matters as the Authority deems reasonable upon the Owner. Failure by the Owner to comply with any such reporting responsibilities shall constitute a violation of this Agreement.

Section 10. Amendment; Termination. Except as set forth in Section 2(e) hereof, the provisions of this Agreement shall not be amended, revised or terminated (except as provided in Sections 5 and 7 of this Agreement) prior to the stated term hereof except by an instrument in writing duly executed by the Authority and the Owner (or its successors in title) and duly recorded. The Authority's consent to any such amendment, revision or termination, other than a termination pursuant to Section 5 of this Agreement, shall be given only if (a) there shall be attached to the document evidencing such amendment, revision or termination an opinion of Owner's counsel satisfactory to the Authority that such amendment, revision or termination will not result in noncompliance of the Project or the Owner with Section 42 of the Code or (b) evidence satisfactory to the Authority has been submitted to the Authority demonstrating that there has occurred an involuntary noncompliance caused by fire, seizure, requisition, change in federal law, action of a federal agency which prevents the Authority from enforcing this Agreement or condemnation or similar event. Notwithstanding the foregoing, this Agreement shall not terminate by reason of the aforementioned foreclosure, transfer of title by deed in lieu of foreclosure or other similar event if the Owner or any related person or any person with whom the Owner has had family or business ties obtains an ownership interest in the Project for federal tax purposes during the period in which the restrictions of this Agreement are or would be in effect.

Section 11. No Conflict With Other Documents. The Owner represents, warrants, and covenants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herein.

Section 12. Fees, Release and Indemnification. The Owner agrees to pay the Authority the various fees at the times and in the amounts set forth in the Authority's qualified allocation plan related to the LIHTC and the AHTC. Any extraordinary legal fees incurred by the Authority with respect to the Project will be paid by the Owner. The Owner hereby agrees to pay, indemnify and hold the Authority harmless from any and all costs, expenses and fees, including all reasonable attorneys' fees which may be incurred by the Authority in enforcing or attempting to enforce this Agreement, including, but not limited to (a) in the event that the various reports are not submitted as required hereunder and the Authority conducts an on-site inspection of the Owner's book and records and/or (b) following any default on the part of the Owner hereunder or its successors, whether the same shall be enforced by suit or otherwise, together with all costs, fees and expenses which may be incurred in connection therewith; and/or (c) all costs, fees and expenses which may be incurred in connection with any interpretation of or amendment to this Agreement or otherwise by the Authority at the request of the Owner (including, but not limited to, the reasonable fees and expenses of the Authority's counsel in connection with any opinion to be rendered hereunder). The Owner agrees to release the Authority from any claim, loss, demand or judgment as a result of the allocation of tax credit dollars to the Project or the recapture of same by the IRS and to indemnify the Authority for any claim, loss, demand or judgment against the Authority as the result of an allocation of LIHTCs or AHTCs to the Owner related to the Project or the recapture of same by the IRS or the State of Nebraska.

Section 13. Right of First Refusal. If the Summary Page to this Agreement indicates that the Owner has agreed to provide a right of first refusal to a non-profit entity (the "Right of First Refusal"), the Owner agrees and represents the following:

(a) the representations made by the Owner in connection with the submission of the Application and Final Cost Certification regarding the Right of First Refusal are hereby ratified in their entirety and the materials submitted with the Application and Final Cost Certification regarding the Right of First Refusal remain true and correct.

(b) In the event the non-profit entity designated by the Owner ceases to exist, an alternative non-profit entity shall be proposed by the Owner with respect to the Right of First Refusal. Such alternative non-profit entity must, at a minimum, meet the same requirements set forth in the Application with respect to the non-profit entity being granted the Right of First Refusal (including that such non-profit entity have an organizational purpose that includes the development, ownership or operation of affordable housing for low income persons and families), must meet any additional requirements of the Code and must be acceptable to, and approved in writing by, the Authority.

Section 14. Sale, Transfer or Other Disposition of the Project. (a) Any transfer, sale or other disposal by the Owner of the Project requires the prior written consent of the Authority and payment of the fee set forth in the Authority's qualified allocation plan related to the LIHTC and the AHTC. Such notice of proposed sale, transfer or disposition shall be provided by the Owner to the Authority at least 60 days prior to the date of the proposed sale, transfer or disposition of the Project.

(b) Upon any such transfer, sale or other disposal of the development, any existing right of the Owner to request, in accordance with Section 42(h)(6) of the Code, that the Authority assist in procuring a qualified contract for the acquisition of the Project, shall terminate with respect to the Project as of the date of such transfer, sale or disposition of the Project. Such termination of the right to proceed through the qualified contract process shall be binding on all subsequent owners of the Project. No transferee/subsequent owner of the Project shall have any right to request a qualified contract pursuant to Section 42(h)(6) of the Code.

Section 15. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 16. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below or to such other place, or in such other manner, as a party may from time to time designate in writing:

Owner: To the name and address set forth on the Summary Page hereof.

Authority: Nebraska Investment Finance Authority
Suite 200
1230 O Street
Lincoln, NE 68508
Attention: Executive Director

Section 17. Governing Law. This Agreement shall be governed by the laws of the State of Nebraska.

Section 18. Recording and Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be duly recorded in the office of public records in the County where the Project is located as an encumbrance upon the Project Site and provide a copy to the Authority.

Section 19. Termination. Notwithstanding any other provisions hereof, this Agreement and the restrictions and other provisions hereunder shall terminate on the termination of the Affordability Period without any further action being taken by any party hereto.

Section 20. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 21. Subordination. The Owner has borrowed funds from Lender, and such amounts are secured by the Project. In order to ensure the viability of the Project's federal low income housing tax credits pursuant to Section 42 of the Code, Lender hereby agrees to subordinate its rights prior to foreclosure to the provisions of this Agreement throughout the term of this Agreement, as set forth in Section 5, and to the Vacancy Decontrol Rule following foreclosure.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives as of the day and year first written above on the Summary Page.

[Signature page of the Owner to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

OWNER: ______________________________
Employer Identification
Number (EIN): ________________________

By ____

Printed Name _________________________

Title _______________________________________

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this __ day of ________________, 20___ by _________________________ the Authorized Signatory of ____ ____________________ for and on behalf of the Owner.

____
Notary Public

My Commission expires: _______

[Signature page of the Authority to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

AUTHORITY:

NEBRASKA INVESTMENT FINANCE AUTHORITY
Employer Identification
Number (EIN): 47-0613449

By ____
Authorized Officer
Printed Name: Shannon R. Harner

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this __day of ____________, 20__ by Shannon R. Harner, an Authorized Officer of the Nebraska Investment Finance Authority.

____
Notary Public

My Commission expires: ________

[Signature page of the Lender(s) to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

<u>THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.</u>

Agreed to and Acknowledged by:

LENDER:

By ________________________________

Printed Name _________________________

Title ________________________________

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this ___day of ____________, 20__ by ______________________, an Authorized Signatory for and behalf of ____________________________________.

____
Notary Public

My Commission expires: ________

[Signature page of the Lender(s) to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

Agreed to and Acknowledged by:

LENDER:

By ______________________________

Printed Name ______________________

Title ____________________________

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this __ day of ___________, 20__ by ______________________, the Authorized Signatory for and on behalf of ____________________________________.

____
Notary Public

My Commission expires: _______

EXHIBIT A

DESCRIPTION OF PROJECT SITE
(including exact legal description)

SUMMARY PAGE

Date:

THE OWNER -

Legal Name of Owner:

Type of Legal Organization:

State of Organization:

Business Address of Owner:

Contact Person:

Phone Number:

E-mail address:

THE PROJECT -

Name of Project:

NIFA Project Number:

Project Address and Legal Description: (See Attached Exhibit A)

Total Number of Buildings:

Building Identification Numbers(s):

BIN	Applicable Fraction	Occupancy Date(s)

Total Number of Dwelling Units:

Total Number of Qualified Units:

One unit is occupied by a resident property manager: Yes/No

Cost of acquisition, construction and rehabilitation: $

TAX CREDIT INFORMATION -

Allocation of Federal Low Income Housing Tax Credits: $

Allocation of Nebraska Affordable Housing Tax Credits: $

Occupancy Date: The date(s) set forth in the Table above under THE PROJECT.

Nonprofit Set-Aside: Yes/No

Project Subject to a Right of First Refusal: Yes/No

Name of Entity entitled to the Right of First Refusal: ______________________________

Contact Information:____

Income Election Set-Aside for IRS purposes

Applicable Set-Aside Percentage: %
Applicable Income Percentage: %
Income Averaging Set-Aside (The average area median income designation of all units must be 60% or less): _______

(Complete the table below if the Income Averaging Set-Aside has been elected and the Project has an applicable fraction of 100%)

Number of Units	Number of Bedrooms	AMI Designation

Targeted Rent Levels

_____% of the Qualified Units (___ units) will have overall rents affordable at or below _____ % of the applicable area median income.
_____% of the Qualified Units (___ units) will have overall rents affordable at or below _____ % of the applicable area median income.

Affordability Period

Required Number of Years: _____ Total Years (Compliance Period: 15 years plus Extended Use period _____ years)

Qualified Contract

Qualified Contract Required Number of Years :_______Years

Additional Targeting Commitments All commitments of the Owner (as set forth in the Application and which are incorporated herein by reference), including, but not limited to the following:

[Insert a template of the various targeting commitments]

Supportive Services and Amenities Supportive Services and Amenities (as set forth in the Application and which are incorporated herein by reference), for which points were awarded during the scoring process:

Supportive Services: Total of _____ points Amenities: Total of _____ points

Other Signatories to the Agreement

Lender(s):

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EXHIBIT A LEGAL DESCRIPTION OF PROJECT SITE

NIFA™
NEBRASKA INVESTMENT FINANCE AUTHORITY®

LOW-INCOME HOUSING TAX CREDITS

2022/2023 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)

Our Mission

Growing Nebraska communities through affordable housing and agribusiness.

LAND USE RESTRICTION AGREEMENT
FOR LOW INCOME HOUSING TAX CREDITS

Between

NEBRASKA INVESTMENT FINANCE AUTHORITY,
as Authority

and

[________________________________]
as Owner

WHEN RECORDED RETURN TO:

Nebraska Investment Finance Authority
Suite 200
1230 O Street
Lincoln, NE 68508-1402
Attention: Executive Director

SUMMARY PAGE

Date:

THE OWNER -

Legal Name of Owner:

Type of Legal Organization:

State of Organization:

Business Address of Owner:

Contact Person:

Phone Number:

E-mail address:

THE PROJECT -

Name of Project:

NIFA Project Number:

Project Address and Legal Description: (See Attached Exhibit A)

Total Number of Buildings:

Building Identification Numbers(s):

BIN	Applicable Fraction	Occupancy Date(s)

Total Number of Dwelling Units:

Total Number of Qualified Units:

One unit is occupied by a resident property manager: Yes/No

Cost of acquisition, construction and rehabilitation: $

TAX CREDIT INFORMATION -

Allocation of Federal Low Income Housing Tax Credits: $

Allocation of Nebraska Affordable Housing Tax Credits: $

Occupancy Date: The date(s) set forth in the Table above under THE PROJECT.

Nonprofit Set-Aside: Yes/No

Project Subject to a Right of First Refusal: Yes/No

Name of Entity entitled to the Right of First Refusal:_______________________________

Contact Information:____

Income Election Set-Aside for IRS purposes

Applicable Set-Aside Percentage: %
Applicable Income Percentage: %
Income Averaging Set-Aside (The average area median income designation of all units must be 60% or less): _______

(Complete the table below if the Income Averaging Set-Aside has been elected and the Project has an applicable fraction of 100%)

Number of Units	Number of Bedrooms	AMI Designation

Targeted Rent Levels

_____% of the Qualified Units (___ units) will have overall rents affordable at or below _____ % of the applicable area median income.
_____% of the Qualified Units (___ units) will have overall rents affordable at or below _____ % of the applicable area median income.

Affordability Period

Required Number of Years: _____ Total Years   (Compliance Period: 15 years plus Extended Use period _____ years)

Qualified Contract

Qualified Contract Required Number of Years :_______Years

Additional Targeting Commitments All commitments of the Owner (as set forth in the Application and which are incorporated herein by reference), including, but not limited to the following:

[Insert a template of the various targeting commitments]

Supportive Services and Amenities Supportive Services and Amenities (as set forth in the Application and which are incorporated herein by reference), for which points were awarded during the scoring process:

Supportive Services: Total of _____ points Amenities: Total of _____ points

Other Signatories to the Agreement

Lender(s):

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EXHIBIT F	PROPERTY MANAGEMENT AGREEMENT

LAND USE RESTRICTION AGREEMENT
FOR LOW INCOME HOUSING TAX CREDITS

THIS LAND USE RESTRICTION AGREEMENT (this “Agreement”) is entered into as of the date set forth on the Summary Page hereof among the **NEBRASKA INVESTMENT FINANCE AUTHORITY** (the “Authority”), a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions under the constitution and laws of the State of Nebraska, the **OWNER IDENTIFIED ON THE SUMMARY PAGE HEREOF** (the “Owner”) and the Lender or Lenders identified on the Summary Page hereof (the “Lender”).

W I T N E S S E T H:

WHEREAS, the Authority has been designated by the Governor of the State of Nebraska as the housing tax credit entity for the State of Nebraska for the allocation of low income housing tax credit dollars; and

WHEREAS, the Owner is or shall be the owner of the rental housing development located and as described on the Summary Page hereof and in Exhibit A hereto (the “Project”); and

WHEREAS, the Owner has applied to the Authority for an allocation of federal low income housing tax credit (“LIHTC”) to the Project in an amount not to exceed the amount set forth on the Summary Page hereof; and

WHEREAS, the Owner has applied to the Authority for an allocation of Nebraska state affordable housing tax credit (“AHTC”) to the Project in an amount not to exceed the amount set forth on the Summary Page hereof; and

WHEREAS, the Owner and the Project must continuously comply with Section 42 and other applicable sections of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (the “Regulations”); and

WHEREAS, compliance by the Owner and the Project with Section 42 of the Code is in large part within the control of the Owner; and

WHEREAS, the Authority is unwilling to allocate LIHTC or AHTC to the Project unless the Owner shall, by entering into this Agreement, consent to be regulated by the Authority in order that the Authority may enforce the occupancy restrictions and other covenants, terms and conditions of this Agreement in accordance with the Code and the Regulations; and

WHEREAS, the Owner has represented to the Authority in the Owner’s LIHTC, AHTC, HOME, CDBG-DR and National Housing Trust Fund Application (the “Application”), the provisions of which are deemed incorporated in this Agreement as if set forth herein, that the Owner shall lease at least the Applicable Set-Aside Percentage of the Dwelling Units in the Project to individuals or families whose income is the Applicable Income Percentage or less of area median gross income (including adjustments for family size) as determined in accordance with the Code ("Qualified Tenants"); and

WHEREAS, the Owner intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the land for the term stated herein and binding upon all subsequent owners of the Project for such term and are not merely personal covenants of the Owner.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner and the Authority agree as follows:

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof, and all words and phrases defined in Section 42 of the Code shall have the same meanings in this Agreement:

"*Affordability Period*" means the period beginning on the Occupancy Date and ending on the date which is the Required Number of Years after the Occupancy Date as set forth on the Summary Page.

"*Applicable Income Percentage*" means the percentage stated on the Summary Page hereof as the percentage of area median gross income, which may not be exceeded by individuals or families qualifying as Qualified Tenants.

"*Applicable Set-Aside Percentage*" means the percentage stated on the Summary Page hereof as the percentage of Dwelling Units in the Project to be leased to Qualified Tenants.

"*Dwelling Units*" means the units of multifamily residential rental housing comprising the Project.

"*Functionally Related and Subordinate*" means and includes facilities for use by tenants; for example, laundry facilities, parking areas and recreational facilities, provided that the same are of a character and size commensurate with the character and size of the Project.

"Home Ownership Assistance Fee" means the $[50] monthly fee set aside by the Owner for each home occupied by a Qualified Tenant not in default in the payment of rent under his or her lease.

"Home Ownership Assistance Fund" means the account established by the Owner in separate, segregated, non-interest-bearing account fully insured by the Federal Deposit Insurance Corporation to deposit the Home Ownership Assistance Fee. The Owner shall, on a monthly basis, deposit the Home Ownership Assistance Fee.

"*Occupancy Date*" means the first day on which the Project is placed in service, as set forth on the Summary Page hereof.

"*Project*" means the Project Site and all buildings, structures, fixtures, equipment and other improvements now or hereafter constructed or located upon the Project Site.

"*Project Site*" means the real property described in Exhibit A attached hereto.

"*Property Management Agreement*" means that certain Property Management Agreement by and between the Owner and the Property Manager (attached hereto as Exhibit F).

"Property Manager" means **[NAME].**

"Qualified Basis" as set forth on the Summary Page.

"Qualified Contract Required Number of Years" means the minimum number of years after the Occupancy Date, as set forth on the Summary Page (or if an election is made by the Owner pursuant to Section 42(f)(1) of the Code, after the succeeding taxable year set forth on the Summary Page), after which this Agreement shall terminate subject to the terms of Section 5 of this Agreement, provided that the Owner has requested that the Authority assist in procuring a "qualified contract" in accordance with Section 42(h)(6) of the Code and that the Authority or other entity has been unable to present such a qualified contract.

"*Qualified Tenants*" means and includes individuals and families whose income is equal to or less than the Applicable Income Percentage of area median gross income (including adjustments for family size) as elected and determined in accordance with the Code and Regulations and (ii) who have been properly selected by the Owner or the Property Manager pursuant to the Leasing Guidelines attached hereto as Exhibit C.. Except as otherwise provided herein, the occupants of a Dwelling Unit shall not be considered to be of low income if any occupant is a student (as defined in Section 151(c)(4) of the Code). Notwithstanding the foregoing, a Dwelling Unit is not disqualified as a Qualified Unit merely because it is occupied (i) by a student receiving AFDC or TANF assistance under Title IV of the Social Security Act, (ii) by a student who was previously under the care and placement responsibility of the state agency responsible for administrating a plan under Part B or Part E of Title IV of the Social Security Act, (iii) by a student in a government-supported job training program, (iv) entirely by full-time students who are single parents and their children, provided such occupants are not dependents (as defined in Code Section 152, determined without regard to subsection (b)(1), (b)(2), and (d)(1)(B) thereof) of another person or (v) by full-time students who are married and file a joint return. The determination of whether an individual or family is a Qualified Tenant shall be made at least annually on the basis of the current income of such occupants. Any Dwelling Unit occupied by an individual or family who is a Qualified Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Qualified Tenant, provided that, should such Qualified Tenant's income subsequently exceed 140% of the applicable income limit, such tenant shall no longer be a Qualified Tenant if, after such determination of income, but prior to the next determination, any residential unit of comparable or smaller size is rented to a tenant who is not a Qualified Tenant.

"*Qualified Unit*" means a Dwelling Unit in the Project designated for occupancy by Qualified Tenants.

"*Related Persons*" means two or more persons related within the meaning of Section 147(a)(2) of the Code, including, but not limited to, familial and trust relationships, actual or attributed partnership interests, related corporations and certain corporate shareholders.

"*Rent Restricted Unit*" means a Dwelling Unit if the gross rent with respect to the Dwelling Unit does not exceed 30% of the imputed income limitation applicable to such Dwelling Unit (based on the number of bedrooms therein in accordance with Section 42(g)(2)(C) of the Code).

"*Required Number of Years*" means the number of years after the Occupancy Date on which the Affordability Period expires and as set forth on the Summary Page.

"Supportive Services and Amenities" means the supportive services and amenities provided by the Owner to the tenants as set forth in the Application or on the Summary Page.

Section 2. Representation, Covenants and Warranties of the Owner. The Owner makes the following representations and warranties to induce the Authority to enter into this Agreement and further represents, warrants and covenants that:

(a) The Owner (i) is a legal organization as described on the Summary Page hereof organized under the laws of the State identified on the Summary Page thereof and is qualified to transact business under the laws of the State of Nebraska, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted (and as contemplated by this Agreement) and (iii) has the full legal right, power and authority to execute and deliver this Agreement and to perform all the undertakings of the Owner hereunder.

(b) The execution and performance of this Agreement by the Owner will not (i) violate or, as applicable, has not violated any provision of law, rule or regulation or any order of any court or other agency or governmental body, (ii) violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Owner is a party or by which it or its property is bound and (iii) result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

(c) The Owner will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the Project free and clear of any prior lien or encumbrance.

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as contemplated by this Agreement) or would materially adversely affect its financial condition.

(e) The Owner will take any lawful action (including the amendment of this Agreement as may be necessary, in the opinion of the Authority) to comply fully with the Code and all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury, the IRS, or the United States Department of Housing and Urban Development.

Section 3. Residential Rental Project. The Owner hereby agrees that the Project is to be developed, owned, managed and operated for the Affordability Period as "residential rental property," as such phrase is used in Section 42(d) of the Code, on a continuous basis during the Affordability Period. To that end, the Owner hereby represents, covenants, warrants and agrees as follows:

(a) The estimated cost (or final cost, if applicable) of the acquisition, construction and rehabilitation of the Project will be equal to or in excess of the amount set forth on the Summary Page.

(b) The Project constitutes and will continue to constitute "residential rental property," as defined in Section 42 of the Code and the Regulations, the Dwelling Units of which will be rented or available for rental on a continuous basis to members of the general public.

(c) If the Owner becomes aware of any situation, event or condition, which would result in noncompliance of a Dwelling Unit, the Project or the Owner with Section 42 of the Code or the Regulations, the Owner shall promptly give written notice thereof to the Authority.

(d) That all of the Dwelling Units will be similarly constructed and that each Dwelling Unit in the Project shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family (unless the Project qualifies as a single-room occupancy project or as transitional housing for the homeless pursuant to Section 42(i)(3) of the Code).

(e) That each building in the Project will remain suitable for occupancy taking into account all federal, state and local health, safety and building codes (or other habitability standards).

(f) That none of the Dwelling Units in the Project shall at any time be utilized on a transient basis (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless pursuant to Section 42(i)(3) of the Code); that none of the Dwelling Units in the Project shall be leased or rented for a period of less than six (6) months (unless the Project qualifies as a single-room occupancy project or transitional housing for the homeless pursuant to Section 42(i)(3) of the Code); and that neither the Project nor any portion thereof shall be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park, trailer court, mobile home park, or recreational vehicle park or by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code).

(g) That once available for occupancy each Dwelling Unit in the Project must be rented or available for rental on a continuous basis to members of the general public on a non-transient basis (except for transitional housing for the homeless or single-room occupancy units provided under Section 42(i)(3)(B)(iii) and (iv) of the Code) for the Affordability Period.

(h) That the Dwelling Units in the Project shall be leased and rented to members of the general public in compliance with the Code and this Agreement, except for any units rented under the housing program pursuant to Section 8 of the United States Housing Act of 1937, as amended, which will be leased to eligible tenants in accordance with the constraints and regulations of such housing program.

(i) That the Project shall consist of one or more proximate buildings or structures located on a single tract of land which have similarly constructed units financed pursuant to a common plan (unless the Project qualifies as a scattered site project under Section 42(g)(7) of the Code), together with functionally related and subordinate facilities which shall be owned by the Owner or a Related Person.

(j) That the Owner shall not discriminate on the basis of race, religion, color, sex, sexual preference, age, handicap, marital status, national origin, familial status, source of income or disability in the lease, use or occupancy of the Project or in employment of persons for the operation and management of the Project.

(k) That the Owner will accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program, and, in connection therewith, the Owner will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(l) That the Owner will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, state or local program or on the basis that they have a minor child or children living with them.

(m) That the Owner will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting the Owner of the Project to noncompliance with Section 42 of the Code and the Regulations.

(n) That the Owner (i) will not dispose to any person or entity any portion of the Project to which this Agreement applies, unless all of the Project is disposed of to such person or entity and (ii) may sell, transfer or exchange the entire Project at any time, provided the Owner shall obtain the prior written consent of the Authority as set forth in Section 14 hereof prior to such sale, transfer or other disposition of the Project and shall obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Agreement. The Owner shall promptly notify the Authority of such transfer. This provision shall not act to waive any other restriction on such sale, transfer or exchange of the Project.

(o) That the Owner (or its property manager with respect to the Project) shall attend in each year of the Affordability Period at least one of the property management/compliance monitoring sessions sponsored by the Authority.

(p) For each year of the Affordability Period, the Owner will submit to the Authority a copy of the Project's filed IRS Form 1065.

Section 4. Occupancy Restrictions. For the purpose of satisfying the requirements of Section 42 of the Code and the requirements of the Authority, for the duration of the Affordability Period, the Owner hereby represents, covenants and agrees as follows:

(a) At least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project (excluding Dwelling Units not previously occupied) shall be both

Rent Restricted Units and occupied solely by Qualified Tenants, prior to the satisfaction of which no additional units shall be rented or leased to any other tenants after initial rental occupancy of Dwelling Units by Qualified Tenants, as required by Section 42 of the Code. For purposes of satisfying the requirement that not less than the Applicable Set-Aside Percentage of the Dwelling Units be occupied by Qualified Tenants, no Qualified Tenant shall be denied continued occupancy because, after admission, the Qualified Tenant's family income exceeds the applicable qualifying income level set forth in the definition of "Qualified Tenant" herein. The Owner shall at all times during the Affordability Period maintain the percentage requirements of this Agreement by providing the next available unit of comparable or smaller size to Qualified Tenants as needed to achieve compliance with the foregoing requirements. If necessary, the Owner shall refrain from renting Dwelling Units in the Project to persons other than Qualified Tenants in order to avoid violating the requirement that at all times during the Affordability Period at least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project shall be both a Rent Restricted Unit and occupied by Qualified Tenants.

(b) To obtain and maintain on file for each Qualified Tenant residing at the Project (which shall be obtained and updated each year during occupancy by such tenant), a copy of such tenant's executed Certification of Tenant Eligibility and Income Verification (in such form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Authority, the Department of the Treasury or the Internal Revenue Service (the "IRS")), as well as supporting documentation, which is subject to independent investigation and verification by the Authority and which shall be submitted to the Authority as set forth in (c) below.

(c) The Owner will immediately notify the Authority if at any time any of the Qualified Units in the Project are not occupied or available for occupancy as provided above. In addition, the Owner will prepare and submit to the Authority, no later than January 15 of each year following the first year of the Affordability Period, (i) a Certificate of Continuing Program Compliance (the form of which is published on the website of the Authority or otherwise available from the Authority) and (ii) an Annual Tax Credit Summary Report (the form of which is published on the website of the Authority or otherwise available from the Authority), both executed by the Owner stating the number of Dwelling Units in the Project which, as of the first date of each previous calendar year, were occupied by Qualified Tenants (or were deemed to be occupied by Qualified Tenants as provided in subparagraph (a) above for all or part of such period), together with copies of annual Certifications of Tenant Eligibility and Income Verification (and supporting documentation) collected by the Owner.

(d) The Owner shall collect and keep records for each qualified low income building in the Project, and submit to the Authority as required by this Section 4, which show for each year during the Affordability Period the following information for each building in the Project and shall retain such records for at least six (6) years after the due date (with extensions) for filing the federal tax return for that year (provided, however, that the records for the first (1st) year of the Affordability Period must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building):

(i) the total number of Dwelling Units in each building (including the number of bedrooms and the size in square feet of each residential rental unit);

(ii) the percentage of Dwelling Units in each building that are Qualified Units;

(iii) the rent charged for each Dwelling Unit in the building, including any utility allowances;

(iv) the Supportive Services and Amenities, as set forth in the Application and on the Summary Page, including any amendments thereto agreed to by the Authority and the Owner. The Owner shall specify the ongoing monthly cost of each Supportive Service and Amenity, per Dwelling Unit, and, for any Supportive Services and Amenities which are not fully paid by the Owner, as applicable, the monthly cost to Qualified Tenants of each Supportive Service and Amenity available if a Qualified Tenant elects to pay for such Supportive Services or Amenities.

(v) the number of occupants in each Qualified Unit and any changes in the number of occupants in each Qualified Unit;

(vi) the Qualified Unit vacancies in each building and information that indicates when and to whom the next available units were rented to;

(vii) the annual income certification of each Qualified Tenant per Qualified Unit;

(viii) documentation to support each Qualified Tenant's annual income certification (for example, a copy of the Qualified Tenant's federal income tax return, Forms W-2 or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Tenant income is to be calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 ("Section 8") and not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this subsection 4(d)(vii) is satisfied if the public housing authority provides a statement to the Owner declaring that the tenant's income does not exceed the applicable income limit under Code Section 42(g);

(ix) the eligible basis and the Qualified Basis of each building at the end of the first year of the Affordability Period; and

(x) the character and use of the nonresidential portion of each building included in the eligible basis of the building under Section 42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities or facilities reasonably required by the Project);

(e) Throughout the Affordability Period, the Authority, or its designated agent, shall have the right to perform inspections of the Project (including each building in the Project and each unit in each building), in any manner determined by the Authority, including, but not limited to, onsite inspections and virtual inspections.

(f) The form of lease to be used by the Owner in renting any Dwelling Units in the Project to Qualified Tenants shall provide for termination of the lease and consent by such person to immediate eviction proceedings in accordance with state law for failure to meet the requirements of a Qualified Tenant, as applicable, as a result of any material misrepresentation made by such person with respect to his or her income, the failure to provide supporting income verification or failure by such person to annually update the Certification of Tenant Eligibility and Income Verification.

(g) To permit any duly authorized representative of the Authority, the Department of the Treasury or the IRS to inspect the books and records of the Owner pertaining to the incomes of the Qualified Tenants residing in the Project, including, but not limited to, each tenant file.

(h) Throughout the Affordability Period, to target rents, to comply with targeted rent levels and to comply all other conditions of targeting as set forth on the Summary Page hereof.

Section 5. Term of Restrictions.

(a) The term of the occupancy restriction set forth in Section 4 of this Agreement shall (i) commence on the Occupancy Date and (ii) end on the date which is the Required Number of Years after the Occupancy Date (the "Affordability Period"). During the Affordability Period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Dwelling Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section 42 of the Code with respect to any Qualified Unit.

(b) For the duration of the Affordability Period, the Owner shall comply with the requirements of Section 42(h) of the Code relating to an extended use period (a minimum of 15 years or such greater number of years as set forth on the Summary Page hereof) for a total Required Number of Years as set forth on the Summary Page; provided, however, that, with respect to any building that is part of the Project, this Agreement shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure (including a deed of trust), if the foreclosure or instrument in lieu of foreclosure is determined to be in compliance with Section 42(h)(6) of the Code; or

(ii) after the expiration of the Qualified Contract Required Number of Years, but only if the Owner has properly requested, in accordance with Section 42(h)(6) of the Code, that the Authority assist in procuring a qualified contract for the acquisition of the non-low income portion of the building for fair market value and the low income portion of such building for an amount not less than the price specified in Section 42(h)(6) of the Code, and the Authority is unable to present a qualified contract within one (1) year after the date the written request submitted to the Authority, and the request has been reviewed by the Authority and determined to be in compliance with the requirements of the Authority and Section 42(h)(6) of the Code. [If the option to request a Qualified Contract has been waived pursuant to the Application, delete (ii) above.]

In the event foreclosure proceedings are initiated, the Authority shall receive notice of such foreclosure from the Owner no less than 30 days prior to such foreclosure.

(c) Notwithstanding the foregoing in subsections (a) and (b) above, the rent requirements set forth in Section 42 of the Code shall continue with respect to the Qualified Units for a period of three (3) years following the termination or expiration of this Agreement. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Qualified Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section 42 of the Code with respect to such Qualified Unit (the "Vacancy Decontrol Rule"), regardless of whether the tenant is an existing tenant or a new tenant occupying the Qualified Unit subsequent to the termination of this Agreement. In addition, during such three-year period, the Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program or similar state or local voucher or certificate program, and, in connection therewith, the Owner will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(d) If the Project experiences financial trouble the Owner may request a waiver from the Authority of the applicable rent restrictions stated on the Summary Page of this Agreement. The right to grant a rent restriction waiver is vested in the Executive Director of the Authority. A waiver will be based on written evidence submitted to the Authority by the Owner which must be evaluated and certified by an independent third-party CPA. The Authority may waive or adjust the rent restrictions stated on the Summary Page for a period not to exceed 36 months. After 30 months, a review by the Authority of the current evidence will be conducted to determine if the waiver should be extended.

Conditions justifying a waiver of the rent restrictions include, but are not limited to the following:

(i) Extraordinary changes in the operating expenses of the Project;

(ii) Capital requirements that are necessary to maintain a safe and sanitary Dwelling Unit, suitable for occupancy; or

(iii) A Project lender originates changes to the financial conditions and debt arrangement that substantially impacts the debt service coverage ratio requirements of the Project.

Any dispute of a waiver decision by the Executive Director of the Authority can be appealed by the Owner of the Project and settled by arbitration. Absent agreement to a different forum or arbitration panel, such arbitration proceeding shall be conducted under the Commercial Rules of the American Arbitration Association. Regardless of the forum, the prevailing party (if there is a prevailing party as determined by the arbitration panel) shall be entitled to reimbursement of its filing fees and arbitrator’s fees from the non-prevailing party, to be assessed as part of the arbitration award. The arbitration panel shall consist of the following mutually acceptable representatives:

(A) A representative selected by the Executive Director of the Authority, which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management);

(B) A representative selected by the Owner of the Project, which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management) ; and

(C) A representative from the American Arbitration Association or other agreed upon, certified mediator or arbitrator (moderator or voting member).

Under no circumstances shall the waiver process provide an opportunity for the Project to deviate from the rent restrictions stated on the Summary Page because of improved market conditions or for any reason other than an increase in the Project's county area median income, without the prior approval of the Executive Director of the Authority.

Section 6. Compliance With CROWN Program. The Owner hereby acknowledges that a material inducement for the Authority to enter into this Agreement was to provide a program to assist Qualified Tenants in moving from rented residences into home ownership by providing, among other things, educational, supportive and counseling services (the "CROWN Program") as more fully described on [Exhibit D] to the Property Management Agreement. The Owner hereby covenants and agrees to ensure the provision of all such educational, supportive and counseling services (collectively, the "Supportive Services"). The Owner also hereby covenants and agrees to:

(a) Operate and ensure the operation of the Dwelling Units in a manner consistent with the CROWN Program.

(b) In the event the Property Manager resigns or is otherwise replaced, (i) hire a property manager satisfactory to the Authority, (ii) use a management agreement substantially in the form of the Property Management Agreement only and acceptable to the Authority, (iii) while a replacement property manager is being hired, deposit the Home Ownership Assistance Fee into the Home Ownership Assistance Fund, (iv) while a replacement property manager is being hired, provide or pay for the provision of the Supportive Services and (v) use reasonable efforts to ensure the assignment of the Property Manager's rights to disburse funds from the Home Ownership Assistance Fund to the new property manager.

(c) Ensure that the deposit of the Home Ownership Assistance Fee into the Home Ownership Assistance Fund and the disbursement of funds from the Home Ownership Assistance Fund are in accordance with the CROWN Program Compliance Letter (attached hereto as Exhibit E).

(d) Ensure the provision for the Supportive Services at all times, including, in the event the Property Manager resigns or is otherwise replaced, during the time a replacement property manager is being hired and upon the hiring of such replacement property manager.

It is expressly agreed to by the Owner that, in addition to any other remedy provided hereunder: (a) the Authority shall have a right to specific enforcement of the provision of the Supportive Services by the Owner or its Property Manager with respect to the Project and that, in the event such services are not provided to prospective and Qualified Tenants at any time, after notice and a reasonable period to cure, the Authority may commence an action for specific performance or arrange for substitute services at the sole cost of the Owner and (b) in the event the Home Ownership Assistance Fund is misapplied, the Authority shall have the right to direct disbursements from the Home Ownership Assistance Fund and the Owner hereby agrees to comply with the Authority's direction.

The Owner further agrees that the Authority shall have the continuing right to monitor the Owner's compliance with the covenants contained in this Section 6 through review of all reports requested and submitted to the Authority pursuant to this Agreement, through inspections of the books and records maintained by the Owner with respect to the Project, such inspections to be conducted during normal course of business.

Section 7. Sale of Qualified Units Upon Expiration of Qualified Project Period. For a one-year period after the end of the Compliance Period, the [**Grantee/Managing Member/General Partner]**, if it or an affiliate thereof has continuously served as the **[Managing Member/General Partner]** of the Owner, shall have the right of first refusal to purchase the Interest of the **[Investor Member/Partner/the Project]** (as defined in the **[Operating Agreement/Partnership Agreement]**) for a price equal to the greater of (a) the offer price, (b) $100, (c) consistent with Section 42(i)(7) of the Code, the sum of (i) all federal, state and local taxes payable by the **[Investor Member/Partner]** attributable to such sale, (ii) the principal amount of outstanding indebtedness secured by the Project (other than indebtedness incurred within the five (5) year period ending on the date of the sale to the Qualified Tenant) and (iii) **[provisions as provided in Operating Agreement/Partnership Agreement]**.

It is expressly agreed, however, that (a) the Owner, in the event the [Grantee/General Partner/Managing Member] does not exercise its right of first refusal described above, for a period not to exceed three (3) months from the date the [Grantee/General Partner/Managing Member] gives notice to Owner that it will not exercise such right of first refusal, or (b) the [Grantee/General Partner/Managing Member] upon exercising its right of first refusal described above, shall offer to sell each Qualified Unit to any non-defaulting Qualified Tenant then in occupancy for an amount-equal to $**[AMOUNT]** above the amount determined in accordance with Section 42(i)(7) of the Code, as described under the right of first refusal.

If at the time a Qualified Unit is sold to a Qualified Tenant (the "Initial Sale") the fair market value of the Qualified Unit at the time the Initial Sale exceeds the sale price to the

Qualified Tenant (such difference, the "CROWN Equity"), the deed transferring title to such unit shall contain a restriction limiting the proportion of the CROWN Equity allocated to such Qualified Tenant in the event the Qualified Tenant resells the Qualified Unit to a third party before such Qualified Tenant has occupied the Qualified Unit continuously for ten (10) years. The amount of CROWN Equity allocated to a Qualified Tenant at the resale by such Qualified Tenant of a Qualified Unit (the "Subsequent Sale") shall be determined in accordance with the following formula (to be set forth in the deed at the Initial Sale):

> (Fair Market Value of Qualified Unit at time of Initial Sale - Purchase price of Qualified Unit at time of Initial Sale) X (Total number of years of occupancy by Qualified Tenant/10) = Amount of CROWN Equity allocated to Qualified Tenant at time of Subsequent Sale.

The remaining CROWN Equity after allocation to the Qualified Tenant in accordance with the above formula shall be funded to the Authority, which shall apply such funds toward home ownership programs in [CITY], Nebraska. The Qualified Tenant, however, shall receive any amounts in excess of the CROWN Equity attributable to the appreciation in the value of the Qualified Unit from the time of the Initial Sale to the time of the Subsequent Sale (the "Appreciation Equity").

The fair market value of a Qualified Unit is its appraised value based on an appraisal made by a licensed appraiser, selected by the Authority, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project is located.

The following scenarios outlining the allocation of CROWN Equity and is provided for purposes of illustration only and not limitation:

Scenario I[1]

	Year 15	**Year 18**
Event	Initial Sale	Subsequent Sale
Qualified Tenant's Number of Years of Occupancy	6	9
Initial Sale Fair Market Value	$80,000	$80,000
Initial Sale Price	$50,000	$50,000
Subsequent Sale Price	N/A	$90,000
CROWN Equity	$80,000-$50,000= $30,000	$30,000
Appreciation Equity	$0	$90,000-$80,000 = $10,000
Amount of CROWN Equity Allocable to Qualified Tenant		($80,000-$50,000) = $30,000 X 9/10 = $27,000
Amount of CROWN Equity Allocable to Authority		$30,000-$27,000 = $3,000
Total of CROWN Equity and Appreciation Equity Allocable to Qualified Tenant		$27,000+$10,000 = $37,000

Scenario II

	Year 15	**Year 21**
Event	Initial Sale	Subsequent Sale
Qualified Tenant's Number of Years of Occupancy	4	10
Initial Sale Fair Market Value	$80,000	$80,000
Initial Sale Price	$50,000	$50,000
Subsequent Sale Price	N/A	$95,000
CROWN Equity	$80,000-$50,000 = $30,000	$30,000
Appreciation Equity	$0	$95,000-$80,000 = $15,000
Amount of CROWN Equity Allocable to Qualified Tenant		($80,000-$50,000) = $30,000 X 10/10 = $30,000
Amount of CROWN Equity Allocable to Authority		$30,000-$30,000 = $0
Total of CROWN Equity and Appreciation Equity Allocable to Qualified Tenant		$30,000+$15,000 = $45,000

Upon the [Grantee/General Partner/Managing Member] exercising its right of first refusal described above, with respect to any Qualified Unit not purchased by a Qualified Tenant, the [Grantee/General Partner/Managing Member] shall continue the achievement of the CROWN Program goals for each such Qualified Unit for a period of 15 additional years and, at the expiration of such additional 15 years, offer to sell each Qualified Unit to the Qualified Tenant then in occupancy. A Qualified Unit shall be sold to a Qualified Tenant for an amount equal to $**[AMOUNT]** above the amount determined in accordance with Section 42(i)(7) of the Code, as described under the right of first refusal.

In the event neither the Owner nor Qualified Tenant elects to exercise its respective rights outlined in this Section 7 upon the expiration of the Qualified Project Period, the Authority shall have the option to purchasing any Qualified Unit for an amount determined in accordance with Section 42(h)(6)(F) of the Code.

Section 8. Internal Revenue Service Notification. In the event the Authority discovers any noncompliance of any provisions of this Agreement, the Authority shall immediately give written notice to the Owner. The Owner shall have sixty (60) days from the date of such notice (the "Correction Period") to correct such noncompliance. Following the Correction Period, the Authority will file with the IRS a copy of IRS Form 8823, explaining the nature of the noncompliance and whether or not such noncompliance has been corrected. Noncompliance includes, but is not limited to (a) failure to receive or failure to permit the Authority to inspect tenant income certifications, supporting documentation and/or rent records, (b) upon inspection, noncompliance with provisions of Section 42 of the Code, and (c) any change in the applicable fraction or eligible basis of the Project that would result in a decrease in the Qualified Basis.

The Authority is authorized and entitled to do all acts necessary to comply with the monitoring and notification responsibilities set forth in Section 42(m)(1)(B)(iii) of the Code and any Regulations or other interpretations thereof by the IRS or the courts.

Section 9. Covenants Run With the Project Site. The Owner hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be deemed covenants running with the Project Site and shall pass to and be binding upon the Owner's successors in title including any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, owner or lessee of any portion of the Project and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

Section 10. Uniformity; Common Plan. The provisions of this Agreement shall apply uniformly to the entire Project to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 11. Remedies; Enforceability. In the event of a violation or attempted violation of any of the provisions of this Agreement, any one or more of the following may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, or to recover monetary damages caused by such violation or attempted violation: (a) the Authority or any governmental entity succeeding to the Authority's functions, or (b) any individual who meets the income limitation applicable under Section 42 of the Code (whether prospective, present or former occupant). The provisions of this Agreement are imposed upon and made applicable to the Project and shall run with the Project Site and shall be enforceable against the Owner and each purchaser, grantee, owner or lessee of the Project or any portion thereof or interest therein, at any time and from time to time, and the respective heirs, legal representatives, successors and assigns of the Owner and each such purchaser, grantee, owner or lessee. No delay in enforcing the provisions of this Agreement as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation of any similar breach or violation thereof at any later time or times. In addition, if any violation of this Agreement is not corrected on a timely basis, the Authority may impose quarterly reporting responsibilities pertaining to such matters as the Authority deems reasonable upon the Owner. Failure by the Owner to comply with any such reporting responsibilities shall constitute a violation of this Agreement.

Section 12. Amendment; Termination. Except as set forth in Section 2(e) hereof, the provisions of this Agreement shall not be amended, revised or terminated (except as provided in Sections 5 and 7 of this Agreement) prior to the stated term hereof except by an instrument in writing duly executed by the Authority and the Owner (or its successors in title) and duly recorded. The Authority's consent to any such amendment, revision or termination, other than a termination pursuant to Section 5 of this Agreement, shall be given only if (a) there shall be attached to the document evidencing such amendment, revision or termination an opinion of Owner's counsel satisfactory to the Authority that such amendment, revision or termination will not result in noncompliance of the Project or the Owner with Section 42 of the Code or (b) evidence satisfactory to the Authority has been submitted to the Authority demonstrating that there has occurred an involuntary noncompliance caused by fire, seizure, requisition, change in federal law, action of a federal agency which prevents the Authority from enforcing this Agreement or condemnation or similar event. Notwithstanding the foregoing, this Agreement shall not terminate by reason of the aforementioned foreclosure, transfer of title by deed in lieu of foreclosure or other similar event if the Owner or any related person or any person with whom the Owner has had family or business ties obtains an ownership interest in the Project for federal tax purposes during the period in which the restrictions of this Agreement are or would be in effect.

Section 13. No Conflict With Other Documents. The Owner represents, warrants, and covenants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herein.

Section 14. Fees, Release and Indemnification. The Owner agrees to pay the Authority the various fees at the times and in the amounts set forth in the Authority's qualified allocation plan related to the LIHTC and the AHTC. Any extraordinary legal fees incurred by the Authority with respect to the Project will be paid by the Owner. The Owner hereby agrees to pay, indemnify and hold the Authority harmless from any and all costs, expenses and fees, including all reasonable attorneys' fees which may be incurred by the Authority in enforcing or attempting to enforce this Agreement, including, but not limited to (a) in the event that the various reports are not submitted as required hereunder and the Authority conducts an on-site inspection of the Owner's book and records and/or (b) following any default on the part of the Owner hereunder or its successors, whether the same shall be enforced by suit or otherwise, together with all costs, fees and expenses which may be incurred in connection therewith; and/or (c) all costs, fees and expenses which may be incurred in connection with any interpretation of or amendment to this Agreement or otherwise by the Authority at the request of the Owner (including, but not limited to, the reasonable fees and expenses of the Authority's counsel in connection with any opinion to be rendered hereunder). The Owner agrees to release the Authority from any claim, loss, demand or judgment as a result of the allocation of tax credit dollars to the Project or the recapture of same by the IRS and to indemnify the Authority for any claim, loss, demand or judgment against the Authority as the result of an allocation of LIHTCs or AHTCs to the Owner related to the Project or the recapture of same by the IRS or the State of Nebraska.

Section 15. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 16. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below or to such other place, or in such other manner, as a party may from time to time designate in writing:

Owner: To the name and address set forth on the Summary Page hereof.

Authority: Nebraska Investment Finance Authority
Suite 200
1230 O Street
Lincoln, NE 68508
Attention: Executive Director

Suite 200
1230 O Street
Lincoln, NE 68508
Attention: Executive Director

Section 17. Governing Law. This Agreement shall be governed by the laws of the State of Nebraska.

Section 18. Recording and Filing. Upon execution and delivery by the parties hereto, the Owner shall cause this Agreement and all amendments and supplements hereto to be duly recorded in the office of public records in the County where the Project is located as an encumbrance upon the Project Site and provide a copy to the Authority.

Section 19. Termination. Notwithstanding any other provisions hereof, this Agreement and the restrictions and other provisions hereunder shall terminate on the termination of the Affordability Period without any further action being taken by any party hereto.

Section 20. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 21. Subordination. The Owner has borrowed funds from Lender, and such amounts are secured by the Project. In order to ensure the viability of the Project's federal low income housing tax credits pursuant to Section 42 of the Code, Lender hereby agrees to subordinate its rights prior to foreclosure to the provisions of this Agreement throughout the term of this Agreement, as set forth in Section 5, and to the Vacancy Decontrol Rule following foreclosure.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives as of the day and year first written above on the Summary Page.

[Remainder of page left blank; signature pages to follow]

[Signature page of the Owner to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

OWNER: ______________________________
Employer Identification
Number (EIN): ________________________

By ____

Printed Name _________________________

Title ____

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this __ day of ________________, 20___ by _______________________ the Authorized Signatory of ______________ _______________ for and on behalf of the Owner.

____
Notary Public

My Commission expires: ___________

[Signature page of the Authority to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

AUTHORITY:

NEBRASKA INVESTMENT FINANCE AUTHORITY
Employer Identification
Number (EIN): 47-0613449

By ____
Authorized Officer
Printed Name: Shannon R. Harner

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this __day of ___________, 20__ by Shannon R. Harner, an Authorized Officer of the Nebraska Investment Finance Authority.

____
Notary Public

My Commission expires: __________

[Signature page of the Lender(s) to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

Agreed to and Acknowledged by:

LENDER:

By ______________________________

Printed Name ________________________

Title ______________________________

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this __day of ___________, 20__ by ____________________, an Authorized Signatory for and behalf of _________________________________.

____
Notary Public

My Commission expires: __________

[Signature page of the Lender(s) to the Land Use Restriction Agreement for Low Income Housing Tax Credits]

THIS CONTRACT CONTAINS AN ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

Agreed to and Acknowledged by:

LENDER:

By ________________________________

Printed Name _________________________

Title ______________________________

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this __ day of ___________, 20__ by ____________________________, the Authorized Signatory for and on behalf of ____.

____
Notary Public

My Commission expires: ___________

EXHIBIT A

DESCRIPTION OF PROJECT SITE

EXHIBIT B

QUALIFIED TENANT FORMS

EXHIBIT C

OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

EXHIBIT D

ANNUAL TAX CREDIT SUMMARY REPORT

EXHIBIT E

CROWN PROGRAM COMPLIANCE LETTER

CROWN Program Compliance Letter

Owner Name : _______________________________________(the "Owner")

Development Name: _________________________________(the "Development")

NIFA LIHTC Project No.: ____

Section 1: Description of CROWN Set-Aside

1. **A LONG-TERM CROWN DEVELOPMENT IS A RENT TO OWN RESIDENTIAL DWELLING PURSUANT TO A PLAN AND DOCUMENTS APPROVED IN ADVANCE BY NIFA THAT WILL BE SOLD TO A QUALIFIED TENANT AT THE END OF THE 15 – YEAR COMPLIANCE PERIOD.**

2. **THE OWNER MUST SET ASIDE $50 PER MONTH FOR EACH TENANT IN THE DEVELOPMENT. THIS SET-ASIDE WILL BE USED BY THE TENANT TO ASSIST IN THE PURCHASE OF A HOME AT A FUTURE DATE. BASED ON UNITS, EACH TENANT WILL ACCUMULATE $_____ OVER _______ THE DEVELOPMENT'S 15-YEAR COMPLIANCE PERIOD FOR EACH, OR $ FOR THE TOTAL UNITS CONSTRUCTED BY THE OWNER**.

Section 2: Development Specific CROWN Requirements.

1. The Owner has constructed (list the number of dwelling units) _____ units (the "Home(s)"), and at the end of the Development's 15-year compliance period the Owner will make these Home(s) available for sale to qualified tenants.

2. The cost per Home is $____________ (average cost, based on Final Cost Certification Documentation submitted to NIFA on __________, 20___).

3. The Home(s) will be sold for a price determined under Section 42(i)(7) of the Internal Revenue Code of 1986, as amended. The minimum purchase price under this subparagraph is an amount equal to the sum of:

   a. the principal amount of outstanding indebtedness secured by each Crown Unit (other than indebtedness incurred within the 5-year period ending on the date of the sale to a qualified tenant), plus
   b. all Federal, State, and local taxes attributable to such sale.

4. **THE OWNER SHALL ESTABLISH A "RENT TO OWN" PROGRAM UNDER WHICH A QUALIFIED TENANT CAN PURCHASE A HOME AT THE END OF THE DEVELOPMENT'S 15-YEAR COMPLIANCE PERIOD. THE OWNER WILL ESTABLISH A SEPARATE TENANT ESCROW ACCOUNT FOR EACH TENANT. THE TENANT ESCROW WILL BE HELD IN AN INTEREST BEARING ACCOUNT AND**

WILL BE UTILIZED AS DISCUSSED IN SECTION 1.2 ABOVE. THE FUNDS CAN BE USED FOR THE FOLLOWING: (I) DOWN-PAYMENT, (II) CLOSING COST ASSISTANCE, AND/OR (III) ANY PHYSICAL UPGRADES AS SET FORTH IN SECTION 6 WHICH MAY BE REQUIRED ON A REPLACEMENT BASIS.

5. **THE OWNER WILL PROVIDE NIFA COPIES OF ALL BANK STATEMENTS RELATED TO THE TENANT ESCROW ACCOUNTS DESCRIBED ABOVE, AS REQUESTED THROUGHOUT THE TERM OF THE DEVELOPMENT'S 15-YEAR COMPLIANCE PERIOD.**

6. **THE OWNER WILL, ON AN AS NEEDED BASIS, RENOVATE A HOME PRIOR TO THE SALE TO A QUALIFIED TENANT. RENOVATIONS INCLUDE, BUT ARE NOT LIMITED TO:**

   a. Repair or replacement of the roof.
   b. Replacement of all appliances.
   c. Replacement of all floor coverings (vinyl and carpet).
   d. Complete repainting of all interior rooms.
   e. Replacement of a garage door.

7. Estimated costs for renovation are estimated to be $____________ per Home. Funding for renovations include the following sources:

   a. Any remaining replacement reserves.
   b. Operating reserve.
   c. Any needed short term financing until the Crown Unit is sold.

8. **REPLACEMENT RESERVES WILL BE ESTABLISHED BY THE OWNER, AND WILL BE USED TO REPAIR OR REPLACEMENT ITEMS AS SET FORTH IN** Internal Section 6. **DURING THE DEVELOPMENT'S 15-YEAR COMPLIANCE PERIOD, $____________ WILL BE SET-ASIDE FOR THE REPLACEMENT RESERVE ($____________ PER YEAR PER HOME).**

9. **AN OPERATING RESERVE WILL BE ESTABLISHED BY THE OWNER, AND WILL BE USED TO FUND ANY OPERATING AND/OR DEBT-SERVICE SHORTFALLS DURING THE DEVELOPMENT'S 15-YEAR COMPLIANCE PERIOD (THE "OPERATING RESERVE"). BASED ON THE FINAL COST CERTIFICATION DOCUMENTATION SUBMITTED TO NIFA ON ________, 20__, THE REQUIRED OPERATING RESERVE FOR THIS DEVELOPMENT IS $____________.**

Signed: ________________________

Title:______________________

Date:________________

EXHIBIT F

PROPERTY MANAGEMENT AND SUPPORTIVE SERVICES AGREEMENT

between

[OWNER]

and

[NAME]

Dated as of [DATE]

PROPERTY MANAGEMENT AND
SUPPORTIVE SERVICES AGREEMENT

THIS PROPERTY MANAGEMENT AND SUPPORTIVE SERVICES AGREEMENT (this "Agreement" or this "Property Management Agreement") is made effective as of the [ ] day of [DATE], 20____, by and between [NAME], a Nebraska [ENTITY] ("Owner"), and [NAME], a Nebraska [ENTITY] ("Manager"). Capitalized terms not defined herein shall have the respective meanings set forth in the First Amended and Restated Agreement of Limited Partnership of Owner dated [DATE] (the "Partnership Agreement")

RECITALS

A. Owner owns certain real property located in [CITY], Nebraska, together with all improvements, appurtenances and equipment located thereon, comprising a total of thirteen single family homes intended for rental to persons and families of low and moderate income single (the "Project"), each at the addresses set forth on Exhibit A hereto (each, a "Unit" and collectively, the "Units").

B. Owner desires the Project to be managed in accordance with specific requirements set forth herein to facilitate home ownership by persons presently unable to purchase a single-family house, through counseling, education and evaluation in connection with a program known as the "CROWN Program" and more fully described herein and on the Description and Requirements of CROWN Program attached hereto as Exhibit D.

C. Owner wishes to obtain the services of Manager in connection with the management of the Project, consistent with the CROWN Program and, subject to the terms and provisions of this Agreement, and Manager wishes to perform such services in exchange for the management fee provided herein.

D. This Agreement amends, restates and supersedes any and all prior management agreements between the parties hereto with respect to the management of the subject property.

ARTICLE X

APPOINTMENT AND ACCEPTANCE

Owner hereby appoints Manager as its exclusive agent to manage, operate, maintain and otherwise be responsible for renting the Units in the Project, and Manager hereby accepts the appointment, subject to the terms and conditions set forth in this Agreement.

ARTICLE XI

TERM

This Agreement shall become effective on the date hereof and shall continue in full force and effect for a period of three years from the date hereof and shall be automatically extended for one-year renewal periods thereafter, subject to the following conditions:

(a) Either Owner or Manager may elect not to extend or renew this Agreement by notifying the other party at least sixty (60) calendar days in advance of the last day of the initial period hereunder or any annual extension period thereafter.

(b) This Agreement may be terminated at any time by the mutual written consent of the Owner and Manager.

(c) In the event Manager fails to perform any of its duties hereunder or to comply with any of the provisions hereof, Owner shall notify both Manager and the Nebraska Investment Finance Authority (the "Authority") by certified mail and Manager shall have ten (10) days thereafter within which to cure such default to the reasonable satisfaction of Owner, and if such default cannot be cured within such ten (10) day period, Manager shall have such additional time as may be necessary to cure the same provided that Manager demonstrates to the continuing satisfaction of Owner that it is diligently pursuing all necessary actions to cure such default and that the same will be cured within a reasonable time without damage or expense to Owner.

(d) In the event a petition in bankruptcy is filed by or against Owner or Manager, or in the event Owner or Manager makes an assignment for the benefit of creditors or takes advantage for the benefit of creditors or takes advantage of any insolvency act, Owner or Manager may terminate this Agreement immediately, provided notice of the same shall be provided to the other party.

(e) This Agreement may be terminated by the Owner without cause at any time by 30 day notice to Manager.

(f) This Agreement may be terminated by Owner upon fifteen (15) days written notice to Manager upon the withdrawal or removal of any managing member/general partner of Owner or upon the dissolution of Owner.

Within five (5) days after the termination of this Agreement, Manager shall close all accounts of the Project (except for the Home Ownership Assistance Fund), deliver the proceeds of such accounts to Owner, assign all certificates of deposit or other similar accounts of the Project to Owner, and deliver all keys, passwords, and security codes to Owner. Within ten (10) days after the termination of this Agreement, Manager shall deliver to Owner (i) all plans and surveys of the Project in its possession, and (ii) all books and records concerning the

Project in its possession, including all tenant files. Within thirty (30) days after the termination of this Agreement, Manager shall submit to Owner all reports required under Section 3.10 hereof to the date of such termination, and Manager and Owner shall account to each other with respect to all matters outstanding as of the date of termination.

All funds deposited in the Home Ownership Assistance Fund and not disbursed to Qualified Tenants (as defined in that certain Land Use Restriction Agreement by and between the Owner and the Nebraska Investment Finance Authority (the "Authority") with respect to the Project (the "LURA")) in accordance with this Agreement shall, at the termination of this Agreement, remain in the Home Ownership Assistance Fund and Manager shall assign its rights to the Home Ownership Assistance Fund to Owner.

ARTICLE XII

SERVICES OF MANAGER

Section 12.01. Rentals. Manager shall offer for rent and shall use its best efforts to rent the Units in accordance with the Leasing Guidelines attached as Exhibit C and in accordance with the Asset Management Plan (attached as Exhibit B hereto, as the same may be amended, restated or appended from time to time by mutual agreement of the parties, and all the terms and conditions of which are incorporated herein). Pursuant to its rental responsibilities, Manager shall:

(a) show Units for rent in the Project to all prospective tenants;

(b) take and process applications for rentals, including prospective tenant interviews and credit checks. If an application is rejected, the applicant shall be advised of the reason for rejection;

(c) comply with the leasing and other requirements contained in (i) Section 42 of the Internal Revenue Code (the "Code") with respect to the Units eligible for the low-income housing tax credit, and (ii) the LURA;

(d) comply with the Leasing Guidelines attached hereto as Exhibit C and by this reference made a part hereof, and use with respect to each lease (i) the form of lease previously approved by [NAME], (ii) the form of Maintenance Contract attached hereto as Exhibit E and by this reference made a part hereof (the "Maintenance Contract") and (iii) the form of Participation Contract attached hereto as Exhibit F and by this reference made a part hereof (the "Participation Contract");

(e) be responsible for or assist Owner in the certification and recertification of tenants covered by any Housing Assistance Payments Contract that may be applicable to the Project with respect to federal Section 8 rent subsidies, following procedures required by the U.S. Department of Housing and Urban Development ("HUD");

(f) collect, deposit and disburse security deposits in accordance with applicable law and the terms of this Agreement and each Lease. Interest on security deposits shall be paid according to the Leases and applicable law;

(g) maintain a current list of acceptable prospective tenants and undertake all arrangements necessary and incidental to the acceptance of rental applications and the execution of Leases. Manager shall exercise its best efforts (including, but not limited to, placement of advertising, interviewing prospective tenants, assisting and counseling in completion of rental applications and execution of Leases, processing documents and credit and employment verifications and explanation of the Crown Program and operations of Owner) to effect the leasing of the Units and renewal of Leases so that the Project is occupied as fully as possible by qualified low-income tenants;

(h) perform such other acts and deeds requested by Owner as are reasonable, necessary and proper in the discharge of Manager's rental duties under this Agreement;

(i) prorate the first month's rent collected from each Qualified Tenant should the Lease term commence on any other day than the first day of the month;

(j) participate in the inspection of each dwelling unit identified in the Lease together with each Qualified Tenant prior to move-in and upon move-out, and record in writing any damage to the unit at the time such Qualified Tenant moved in and any damage occurring during such Qualified Tenant's occupancy; and

(k) ensure the performance and provision of the supportive services (the "Supportive Services") described in the Description and Requirements of CROWN Program attached hereto as Exhibit D and by this reference made a part hereof (the "Crown Program") and otherwise manage the Project at all times in conformance with the CROWN Program and the LURA.

Section 12.02. Qualified Rental Use. Manager acknowledges that Owner is required to lease all of the Units in the Project to tenants whose income and rent levels qualify such apartments for inclusion in determining federal low-income housing tax credits (the "Credits") for the Project pursuant to Section 42 of the Code and otherwise in accordance with the LURA. This means that [ ] of the Units must be occupied by individuals with income less than or equal to [50]% of area median gross income, taking into account family size and that [ ] of the Units must be occupied by individuals with income less than or equal to [60]% of area median gross income, taking into account family size.

Manager further acknowledges that obtaining the Credits will have substantial economic value to Owner and its members. Manager will familiarize itself with the low-income housing tax credit requirements as they relate to Manager's leasing and management duties hereunder and shall use its best efforts to comply with such requirements, and, to the extent Manager is unable to do so, Manager shall promptly notify Owner of such fact and the reasons therefor. Incidental thereto, the following provisions shall apply:

(a) Manager agrees to attend at least one Compliance Training seminar sponsored by the Authority.

(b) Manager shall require each prospective tenant to certify, on the Lease application or Lease, the amount of such tenant's annual family income, family size and any other information required to enable Owner to obtain the Credits or otherwise reasonably requested by Owner. Manager shall obtain from each prospective tenant's employer (if any) a verification of the prospective tenant's income, and shall perform such other verifications of such tenant's non-employment income as are necessary or appropriate in order to provide necessary certification and verification of the amount of such tenant's annual family income and family size and any other information reasonably requested by Owner in writing in connection with the Credits. To the extent required by the Code or by the Authority, Manager shall require Qualified Tenants to certify in writing as to such matters on an annual basis, prior to such time as the information is required for reporting purposes.

(c) Manager shall from time to time furnish Owner with a written schedule of maximum rents for the apartments which complies with the Code for Owner's (and any lender's, if required) approval. Without Owner's express prior written consent, Manager shall not enter into any Lease on behalf of Owner at a rental amount exceeding the applicable maximum.

(d) Manager shall maintain and preserve all written records of Qualified Tenant family income and size, and any other information reasonably requested by Owner in writing in connection with the Credits, throughout the term of this Agreement, and shall turn all such records over to Owner upon the termination or expiration of this Agreement.

(e) If requested by Owner, Manager shall prepare reports of low-income leasing and occupancy and other matters related to Manager's obligations hereunder and to the operation of the Project in form suitable for submission in connection with the Credits and in compliance with the Code and any requirements of the Authority, including those set forth in the LURA applicable to the Project.

Section 12.03. Collection of Rents and Other Receipts. Manager shall collect, when due, all rents, charges and other amounts receivable on Owner's account in connection with the management and operation of the Project and place such funds in the Project operating account (the "Operating Account") for disbursement in accordance with Section 3.08. Manager shall also collect security deposits and place the same in a separate Project account (the "Security Deposit Account"). Funds in the Security Deposit Account shall be retained and disbursed in accordance with Section 3.08.

Section 12.04. Enforcement of Leases. Manager shall take all reasonable action to secure full compliance by each Qualified Tenant with the terms of such Qualified Tenant's Lease. Voluntary compliance will be emphasized, and Manager shall counsel Qualified Tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by Manager, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with sound management of the Project. Nevertheless, Manager may, and shall if requested by Owner, lawfully terminate any tenancy when, in Manager's judgment, sufficient cause for such termination occurs under the terms of Qualified Tenant's Lease, including, but not limited to, nonpayment of rent. For this purpose, Manager is authorized to consult with legal counsel to be designated by Owner and bring actions for eviction and execute notices to vacate and judicial pleadings incident to such actions; provided, however, that Manager shall keep Owner informed of such actions and shall follow such instructions as Owner may prescribe for the conduct of any such action. Reasonable attorneys' fees and other necessary costs incurred in connection with such actions, as determined by Owner, shall be paid by Owner. Manager shall properly assess and collect from each Qualified Tenant or the security deposit the cost of repairing any damages to the housing unit arising during such Qualified Tenant's occupancy.

Section 12.05. Maintenance and Repairs. Manager shall, at Owner's expense, maintain the Project in a decent, safe and sanitary condition and in a rentable state of repair, all in accordance with the Project rules, regulations and local codes, and Manager shall otherwise maintain the Project at all times in a condition acceptable to Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care and such other maintenance and repair work as may be necessary. Incidental thereto, the following provisions shall apply:

(a) Special attention shall be given to preventive maintenance, and, to that end, the services of regular maintenance personnel shall be used to the extent feasible.

(b) Subject to Owner's prior written approval, Manager shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. Manager shall obtain prior to commencement of any work appropriate written evidence of such contractor's liability and workers' compensation insurance.

(c) Manager shall systematically and promptly receive and investigate all service requests from Qualified Tenants, take such action thereon as may be justified and keep records of the same. Emergency requests shall be received on a 24-hour basis.

(d) Manager shall in good faith use all reasonable efforts to take such action as may be necessary to comply with any and all orders and requirements of federal, state, county and municipal authorities having jurisdiction over the Project and order of any board of fire underwriters, insurance companies and other similar bodies pertaining to the Project.

(e) Except as otherwise provided in this section, Manager is authorized to purchase, at Owner's expense, all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair of the Project. Notwithstanding the foregoing, the prior written approval of Owner will be required for any contract which exceeds one year in duration or expenditure which exceeds $1,000 in any one instance for labor, materials or otherwise in connection with the maintenance and repair of the Project, except for (i) emergency repairs that either (A) involve manifest danger to persons or property, or (B) are required to avoid suspension of any necessary service to the Project. In the event of emergency repairs, Manager shall notify Owner of the facts promptly and in no event later than 72 hours from the occurrence of the event.

Section 12.06. Utilities and Services. Manager shall make arrangement for water, electricity, gas, fuel, oil, sewage and trash disposal, vermin extermination, decoration of common areas, laundry facilities, telephone services and other necessary services in connection with the Project.

Section 12.07. Personnel. All on-site personnel, including, without limitation, a housing counselor (the "Housing Counselor"), which Housing Counselor the Manager hereby agrees to retain and provide at all times during the term of this Agreement and whose responsibilities shall include those described on Exhibits C, D, E and F attached hereto, shall be contracted service providers or employees of Manager, and Manager shall be responsible for all compensation, insurance, payroll taxes and other similar costs with respect thereto. Among other things, Manager shall be responsible for (i) all employment expenses, including but not limited to insurance, salaries, wages, payroll taxes, cost of employee benefits plans and temporary help expense, of employees of the Manager; (ii) bookkeeping fees incurred in connection with maintenance of the Project's records and the preparation of unaudited monthly financial statements for Owner; and (iii) Fidelity Bond and other appropriate coverage. Owner shall bear all expenses not expressly assumed by Manager above, including, without limitation, compensation (including fringe benefits) payable to maintenance employees or any other personnel hired by Manager, and all local, state and federal taxes and assessments (including, but not limited to, Social Security taxes, unemployment insurance and workman's compensation insurance) incident to the employment of such personnel; building supplies and equipment; postage; copy charges; long distance telephone; tenant credit inquiries; and other related office expenses.

Section 12.08. Project Operating Account. Disbursements from the Operating Account established pursuant to Section 3.03 shall be governed by the following:

(a) From the funds collected and held by Manager in the Operating Account pursuant to Section 3.03 hereof and subject to Owner's approved operating budget, Manager shall make the following disbursements promptly when payable, in the following order of priority: (i) real estate taxes and assessments and fire and hazard insurance premiums (including any required monthly escrow payments therefor), utilities, interest on the Mortgages, amortization of the principal of the Mortgages, fees and establishment and maintenance of all reserve funds; (ii) other payments due and payable by Owner as operating expenses incurred pursuant to Owner's approved operating budget and in accordance with this Agreement; (iii) $50 per Unit per month to the Home Ownership Assistance Fund, in accordance with Section 3.15; (iv) Manager's compensation and reimbursements (including any accrued fee and any interest thereon); and (v) distributions to or at the direction of Owner, including distributions to Owner's members in accordance with Owner's Operating Agreement. Owner directs Manager to deposit/transfer funds to an interest-bearing account or accounts in Owner's name for the purpose of escrowing moneys for future expenses or for the purpose of decreasing funds held in the Operating Account not required for the payment of normal day-to-day operating expenses. OWNER ACKNOWLEDGES THAT TENANT SECURITY DEPOSITS ARE THE LIABILITY OF THE OWNER. MANAGER SHALL COLLECT THE SECURITY DEPOSITS AND HOLD THEM IN THE SECURITY DEPOSIT ACCOUNT AND SHALL ONLY DISBURSE SECURITY DEPOSIT MONEYS ACCORDING TO THE TERMS SET OUT IN THE TENANT'S LEASE AGREEMENT AND APPLICABLE LAW. Funds in the Security Deposit Account shall not be utilized to pay the Project's expenses.

(b) In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under this Section 3.08, Manager shall promptly inform Owner of the fact, and Owner will then remit to Manager sufficient funds to cover the deficiency. In no event shall Manager be required to use its own funds to pay such disbursements.

Section 12.09. Operating Budget. Manager shall prepare a recommended annual operating budget and projected rental rates for the Project for each fiscal year during the term of this Agreement, and shall submit the same to Owner at least 60 days before the beginning of such fiscal year. The annual operating budget shall include a schedule of recommended rents to be charged for each housing unit, including recommended rent increases with respect to Lease renewals and new Leases. Proposed annual operating budgets for the Project shall be subject to approval by Owner. Owner shall inform Manager of any changes incorporated in the approved operating budget, and Manager shall make no expenditures in excess of the amounts set forth in such approved operating budget, without the prior written approval of Owner, except as permitted pursuant to Section 3.05 hereof for emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary services to the Project.

Section 12.10. Records and Reports. In addition to any requirements specified in this Agreement, Manager shall have the following responsibilities with respect to records and reports:

(a) Manager shall establish and maintain a system of records, books and accounts in a manner satisfactory to Owner which is consistent with and for the durations mandated by the Code and which system of records, books and accounts shall include the Home Ownership Assistance Fund and any and all disbursements in connection with the Crown Program. All records, books and accounts shall be subject to examination at reasonable hours upon reasonable notice by any authorized representative of Owner.

(b) Manager shall prepare monthly reports as requested by and in form satisfactory to Owner, containing and including at least the following: (i) a statement of income and expenses and accounts receivable and payable for the preceding period, including an itemized list of all delinquent rents as of the tenth day of the current period, as well as a report on action taken thereof by Manager; (ii) a rent roll/cash receipts form for the previous period; (iii) a disbursements summary for the previous period; (iv) current bank statements with reconciliation of all bank accounts; (v) copies of paid bills and invoices for the previous period; and (vi) a narrative of any unusual actions taken or emergencies responded to, and a full report of any accidents, claims and potential claims, for the previous period. Manager shall prepare separate monthly reports with respect to the Home Ownership Assistance Fund, setting forth the information described in paragraphs (i)-(vi), above. Manager shall submit each such report to Owner on or before the fifteenth day of each period.

(c) Manager shall prepare, execute and file all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, workmen's compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereafter imposed.

(d) All bookkeeping, data processing services and management overhead expenses shall be paid for by Manager.

(e) Manager shall promptly furnish such additional information (including monthly occupancy reports) as may be requested from time to time by Owner with respect to the rental and financial, physical or operating condition of the Project.

(f) Manager shall establish tenant files containing copies of Leases, certification forms, notices and other documentation required by Owner as necessary to comply with the Code and the regulations thereunder.

Section 12.11. Tenant-Management Relations. Manager shall encourage and assist tenants of the Project to participate in a residents' organization to promote tenants' common interests and to increase their ability and incentive to protect and maintain the Project and to contribute to its efficient management.

Section 12.12. Owner Communications. Manager shall be available for communications with Owner and shall keep Owner advised of items materially affecting the Project.

Section 12.13. Non-Discrimination. In the performance of its obligations under this Agreement, Manager will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, religion, sex, handicap, familial status or national origin, as implemented by the Fair Housing Standards Act of 1988, as amended.

Section 12.14. Compliance With Crown Program. Manager shall manage the Project at all times in conformance with the Crown Program as more fully described in the LURA and in the Description and Requirements of Crown Program attached hereto as Exhibit D and by this reference made a part hereof.

Section 12.15. Home Ownership Assistance Fund. As represented to the Agency in conjunction with its allocation of Credits to the Project, Owner has agreed to set aside $50 per month (the "Home Ownership Assistance Fee") for each home occupied by a Qualified Tenant not in default in the payment of rent under his or her Lease.

Manager shall establish a separate, segregated, non-interest-bearing account fully insured by the Federal Deposit Insurance Corporation (the "Home Ownership Assistance Fund") in the name of Owner. Manager shall, on a monthly basis, deposit the Home Ownership Assistance Fee into the Home Ownership Assistance Fee in accordance with Section 3.08 hereof.

Manager shall disburse funds from the Home Ownership Assistance Fund (a) to assist with the costs of required maintenance of each home within the Project; and (b) to assist a tenant who has completed at least six months of the Crown Program and who has been approved by the Manager for home ownership. A Qualified Tenant will be approved for home ownership (and eligible for assistance, if available, from the Home Ownership Assistance Fund) if the Qualified Tenant can demonstrate that he or she (i) has been approved by a bank or other financial institution for a mortgage loan, (ii) possesses a fully executed purchase contract for a home and (iii) has complied with the terms of the Maintenance and Counseling Contracts; provided, however, that one or more of the above conditions may be waived in writing by the Manager and the Authority in the event both parties conclude that a tenant is ready for home ownership despite such tenant's noncompliance. Manager shall disburse funds on behalf of a Qualified Tenant upon submission by such Qualified Tenant of a written request for such assistance and sufficient supporting materials documenting the need for such funds to provide assistance with the following types of costs:

(a) Closing costs incurred in connection with the closing of the Qualified Tenant's purchase of a home, including, but not limited to, lenders' fees, inspection fees and other administrative fees (the costs will be paid from the Home Ownership Assistance Fund directly to the lender).

(b) Up to 20% of the amount of the down payment on a house (the costs will be paid from the Home Ownership Assistance Fund directly to the lender).

(c) Assistance to a Qualified Tenant to satisfy hardship debts, including, but not limited to, debts from a medical emergency.

(d) Repairs on a home the Qualified Tenant will purchase.

(e) Purchases of major appliances (i.e., washers, dryers, refrigerators, dishwashers and microwaves) to furnish the home to be purchased by Qualified Tenant, to be released in the form of a gift certificate.

(f) Landscaping expenses.

(g) Moving expenses.

(h) Window treatments and other cosmetic improvements of the home to be purchased by Qualified Tenant.

In the event a Qualified Tenant is purchasing a Unit, neither funds from the Home Ownership Assistance Fund nor Grant Money (as defined below) may be used to pay for costs for which Manager is otherwise responsible.

The amount of funds disbursed on behalf of a Qualified Tenant shall be at the discretion of Manager, but shall not be greater than the amount deposited into the Home Ownership Assistance Fund relating to such Qualified Tenant's Unit during the tenure of such Qualified Tenant's participation in the Crown Program, unless additional funds are available in the form of Grant Money, as described below.

In the event that a Qualified Tenant vacates the Home, or defaults in its performance under either the Lease or the Crown Program Requirements and such default results in the eviction of such Qualified Tenant, then the funds deposited in the Home Ownership Assistance Fund relating to such Qualified Tenant's Unit during the tenure of such Qualified

Tenant's participation will be considered grant money ("Grant Money"). Qualified Tenants will be eligible to apply for the Grant Money. Grant Money funds will be used at the discretion of Manager based on the applicant's need and the amount of funding available.

(a) Manager, after review of the following submissions, shall disburse Grant Money funds to a Qualified Tenant to supplement any funds disbursed from the Home Ownership Assistance Fund on such Qualified Tenant's behalf:

(i) A written recommendation by the housing counselor hired by Manager to administer certain services in connection with the Crown Program (the "Housing Counselor") that a Qualified Tenant apply for Grant Money.

(ii) A written application for funds that specifies the amount of funds requested, the proposed use of the funds and a description of the Qualified Tenant's accountability for use of funds.

(b) Grant Money from the Home Ownership Assistance Fund may be awarded to Qualified Tenants for the same uses specified for the Home Ownership Assistance Fund.

The Crown Program is designed to encourage Qualified Tenants to purchase their own homes and to take pride in home ownership. Manager may make waivers to the above guidelines in cases of unusual need or circumstances. In no event, however, shall a Qualified Tenant be guaranteed or entitled to receive any funds from the Home Ownership Assistance Fund.

ARTICLE XIII

MANAGEMENT AUTHORITY

Section 13.01. Authority. Manager's authority is expressly limited to the provisions contained herein, as they may be amended in writing from time to time in accordance with the provisions of this Agreement. Owner expressly withholds from Manager any power or authority to make any structural change in the Project or to make any other major alterations or additions in or to the Project or fixtures or equipment therein, or to incur any expense chargeable to Owner, other than expenses related to exercising the express powers granted to Manager by the terms of this Agreement without the prior written consent of Owner.

Section 13.02. Delegation of Duties. Manager shall have the right to engage independent contractors for performance of such of its duties hereunder as Manager deems necessary, but Manager shall have the responsibility for supervision of the performance of such duties. All contracts with independent contractors shall be subject to the approval of Owner.

Section 13.03. Compliance With Law. Manager shall comply fully with all federal, state, county, municipal and special district laws, ordinances, rules, regulations and orders relative to the leasing, use, operation, repair and maintenance of the Project. Manager shall remedy promptly any violation of any such law, ordinance, rule, regulation or other which comes to its attention and shall notify Owner by the end of the next business day after Manager becomes aware of any violation for which Owner may be subject to penalty.

ARTICLE XIV

INSURANCE AND INDEMNIFICATION

Section 14.01. Liability of Manager. Except as expressly provided to the contrary herein, the obligations and duties of Manager under this Agreement shall be performed as agent of Owner, but Manager shall be liable for its breaches of this Agreement; provided, however, that Manager shall not be responsible for incurring any expenditures in excess of existing or reasonably projected available funds from the Project or funds supplied by Owner. All expenses incurred by Manager in accordance with its obligations and duties under this Agreement and consistent with Owner's approved operating budget, except those due to its breaches of this Agreement and those expressly specified as Manager's expenses herein, shall be for the account of and on behalf of Owner.

Section 14.02. Insurance. The Owner shall at all times during the term of this Agreement, at Owner's expense, maintain in full force and effect with reputable licensed insurers (each insurer must have a rating of "A" or better (Excellent or Superior), and Class VIII or better, in A.M. Best's Insurance Reports) such forms and amounts of insurance satisfying the insurance requirements set forth on the attached Exhibit G, which shall include but not be limited to, insurance against physical damage (e.g., fire and extended coverage endorsement, boiler and machinery, etc.), loss of rents, and against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance of any part of the Project. Manager shall, upon request, be named as an additional insured while acting as real estate manager for Owner in all liability insurance maintained with respect to the Project. Manager shall investigate and promptly furnish to Owner and Midwest Housing Assistance Corporation full written reports of all accidents, claims and potential claims for damages relating to the Project, and shall cooperate fully with Owner's insurers, regardless of whether the insurance was arranged by Manager, Owner or others. Owner and Manager shall at all times during the term of this Agreement jointly monitor compliance with this Section 5.02 and each agrees to deliver notice of any noncompliance to the other and to Midwest Housing Assistance Corporation within 5 days of becoming aware of any such deficiency.

Section 14.03. Cooperation. Manager shall furnish whatever readily available information is requested by Owner for the purpose of obtaining insurance coverage and shall aid and cooperate in every reasonable way with respect to such insurance and any loss thereunder.

Section 14.04. Indemnification of Owner. To the extent permitted by law, Manager agrees to defend, indemnify and save harmless Owner and its members from all claims, investigations and suits with respect to (i) any alleged or actual violation of state or federal labor or other laws pertaining to employees, it being expressly agreed and understood that, as between Owner and Manager, all persons employed in connection with the premises are employees of Manager, not Owner; or (ii) Manager's breach of this Agreement which has a material adverse effect on the Project or Owner. Manager shall at all times keep its employees and contractors insured for statutory workers' compensation and other employee benefits required by all applicable laws, and Manager shall maintain employer's liability insurance for an amount not less than $1,000,000 covering claims and suits by or on behalf of employees and others not otherwise covered by statutory workers' compensation insurance.

Section 14.05. Indemnification of Manager. To the extent permitted by law, Owner agrees to defend, indemnify and save harmless Manager from all claims and suits in connection with the Project, provided that such claims and suits are attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property, and such claims and suits arise, or are alleged to arise, in whole or in part out of any negligent act or omission of Owner, its officers, employees or agents. Owner agrees, upon request, to include Manager as an additional insured in Owner's public liability policy with respect to the Project, but only while Manager is acting as real estate manager for Owner under this Agreement. With respect to litigation (i) in which the Owner is named as co-defendant with Manager and (ii) which Owner decides not to contest, Owner agrees to reimburse Manager for reasonable attorneys' fees in the event that Manager is found by a court of final jurisdiction to be not guilty of discrimination charges filed by current or former tenants of the Project, or filed by current or former applicants of the Project, with respect to the Project.

Section 14.06. Survival of Indemnity Obligations. The indemnity obligations contained in this Agreement shall survive the termination of this Agreement.

ARTICLE XV

COMPENSATION

Manager will be compensated for its services under this Agreement by a monthly fee (a "Management Fee") to be paid out of the Operating Account in accordance with Section 3.08 and treated as a Project expense. Such fees will be payable on the tenth day of each month of this Agreement, commencing with the month in which construction completion has occurred. The monthly Management Fee will be a sum equal to [ ]% of Gross Rent

Receipts for the preceding month. Although each monthly Management Fee shall be deemed earned in its entirety and accrued as an expense of the Project, Manager agrees that if Owner has insufficient funds to pay all or part of the fee, any amount not paid currently shall accrue at the rate of [ ]% per annum, compounded monthly.

ARTICLE XVI

COOPERATION

If any claims, demands, suits or other legal proceedings which arise out of any of the matters relating to this Agreement be made or instituted by any person against either Owner or Manager, Owner or Manager shall give to each other all pertinent information and reasonable assistance in the defense or other disposition thereof at its sole expense.

ARTICLE XVII

NOTICES

All notices, demands, consents and reports provided for in this Agreement shall be given in writing and shall be deemed received by the addressee on the third day after mailing if mailed by United States certified or registered mail, postage prepaid, or on the day delivered if personally delivered at the following addresses:

If to Owner:

with a copy to:

If to Manager:

The above addresses may be changed by the appropriate party giving written notice of such change to the other parties.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01. Assignment. Manager shall not assign its rights or obligations under this Agreement without the prior written consent of Owner, which shall not be unreasonably withheld, and any purported assignment without Owner's prior written consent shall be of no effect.

Section 18.02. Special Power of Attorney. Owner authorizes Manager as attorney-in-fact for Owner to enter into and execute Leases and rental agreements with respect to the Project on forms approved by Owner, to collect rents and other funds due

Owner in Manager's name on Owner's behalf and to establish and make deposits into and withdrawals from the Operating Account in accordance with the terms of this Agreement.

Section 18.03. Amendments. This Agreement constitutes the entire Agreement between Manager and Owner, and no amendment, alteration, modification or addition to this Agreement shall be valid or enforceable unless expressed in writing and signed by the party or parties to be bound thereby.

Section 18.04. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provisions of this Agreement.

Section 18.05. Waiver. The waiver of any of the terms and conditions of this Agreement on any occasion or occasions shall not be deemed as waiver of such terms and conditions on any future occasion.

Section 18.06. Illegality. If any provision of this Agreement shall prove to be illegal, invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

Section 18.07. Relationship. Nothing contained in this Agreement shall be construed to create a relationship of employer and employee between Owner and Manager, it being the intent of the parties hereto that the relationship created hereby is that of an independent contractor. Nothing contained herein shall be deemed to constitute Owner and Manager as partners or joint venturers.

Section 18.08. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Owner, its successors and permitted assigns, and shall be binding upon and inure to the benefit of Manager, its successors and its permitted assigns.

Section 18.09. Governing Law. This agreement shall be governed by and interpreted in accordance with the laws of the State of Nebraska. All capitalized terms not defined herein shall have the meaning ascribed to them in Owner's Partnership Agreement.

Section 18.10. Enforceability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof. Owner's remedies under this Agreement are cumulative, and the exercise of one remedy shall not be deemed an election of remedies nor foreclose the exercise of Owner's other remedies. No waiver by Owner of any breach of this Agreement shall be deemed to be a waiver of any other or subsequent breach.

Section 18.11. Execution of Counterparts. For the convenience of the parties, this Agreement may be executed in multiple counterparts, each of which shall constitute a complete original of this Agreement, which may be introduced in evidence or used for any other purpose without the production of any other counterparts.

Section 18.12. Successors and Assigns. This Agreement shall inure to the benefit of and constitute a binding obligation upon Owner and Manager and their respective successors and assigns; provided, however, that Manager shall not assign this Agreement, or any of its duties hereunder, without the prior written consent of Owner. In the event Owner's current general partner/managing member or any successor general partner/managing member of Owner is removed in accordance with the Partnership Agreement, any successor general partner/managing member selected in accordance with such Partnership Agreement shall have authority to act hereunder on behalf of Owner.

Section 18.13. Sale of Units to Qualified Tenant. Manager hereby accepts and agrees to be bound by Section 7 of the LURA, which requires Manager to offer to sell Units to Qualified Tenants under certain circumstances for a price more fully described in Section 7 of the LURA.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the date first set forth above.

OWNER:

[NAME]

By ____________________________________

Name __________________________________

Title __________________________________

MANAGER:

[NAME]

By ____________________________________

Name __________________________________

Title __________________________________

EXHIBIT A

PROPERTY ADDRESSES

EXHIBIT B

ASSET MANAGEMENT PLAN

EXHIBIT C

LEASING GUIDELINES

A. Pre-Screening Process

During the pre-screening process, Manager shall gather data and information on prospective Tenants to enable Manager to select prospective Tenants to continue the application process who demonstrate, in the judgment of Manager, a readiness for or commitment to participation in the CROWN Program.

1. *Lease Application.* Each prospective Tenant must complete and sign a written application for Lease containing personal information, previous residences and Landlords for several years, information on employment, income, assets and credit, proposed occupants (including ages) and pets and references as called for in the Lease Application, and containing such other information and statements as called for in the Lease Application as will enable Manager to screen the prospective Tenant or as is otherwise proper and advisable for the management of the CROWN Project in accordance with professional standards and governmental regulations.

2. *Interview*. After the Lease Application has been received, Manager shall conduct an in-person interview of each adult proposed as an occupant of the housing unit to be leased in order to determine the character of such persons and their readiness for participation in the CROWN Program. During the interview, Manager will ensure the prospective Tenant and other proposed adult occupants understand the purpose of the CROWN Program and the requirements and responsibilities assumed by participants in the CROWN Program.

3. *Employment and Education.* Manager shall verify the employment and income information given by the prospective Tenant. Each prospective Tenant must have at least two years of employment or school history.

4. *Credit.* Manager shall have conducted a responsible credit agency check of the prospective Tenant, and shall personally check with one or more of the prospective Tenant's previous Landlords, if possible, with respect to past rent payment history. Any serious negative credit history due to factors within the control of the prospective Tenant may constitute cause for rejection. Factors not within the control of the prospective Tenant, such as illness and temporary unemployment, shall not be a cause for rejection. Because the CROWN Program will assist Qualified Tenants in remedying past

credit problems, credit problems will not be an automatic cause for rejection of a prospective Tenant.

5. *Housekeeping.* If possible, Manager shall check with one or more previous Landlords of a prospective Tenant and other occupants with respect to the prospective Tenant's ability to maintain the housing unit in good condition and to abide by management rules.

6. *Criminal Records*. With respect to all prospective Tenants, Manager shall inquire and verify whether a prospective Tenant has any criminal records. Any conviction involving behavior that could negatively affect other Tenants shall be cause for rejection.

7. *Past Rental History.* Manager shall check with one or more previous Landlords of each prospective Tenant with respect to previous evictions.

8. *Income/Debt Ratios.* Initially, prospective Tenants may pay more than 40% of their gross income toward rent; however, as a condition of the CROWN Program, Tenants must reduce their debt or increase their income such that no more than 40% of a prospective Tenant's gross income shall be applied to rent and no more than 55% of a prospective Tenant's gross income shall be applied to rent and debts.

B. Approval

The Manager shall approve the prospective Tenant's Lease Application and addenda only if, in its best judgment, the prospective Tenant is qualified to pay rent when due, likely to maintain the dwelling unit, willing to work with the Manager to achieve goals and committed to participate in the CROWN Program. The Manager shall not approve any Lease Application unless the prospective Tenant and other proposed occupants meet the rental guidelines contained in Section 42 of the Code and any application guidelines of HUD.

C. Lease

1. *Term.* Each Lease shall be for a term of at least one year.

2. *Rent.* Rent shall be as specified in the lease and shall comply with all CROWN program requirements.

3. *Security Deposit*. An amount equal to one month’s rent shall be deposited in a separate Tenant security deposit account prior to execution of the lease. Additions to this amount may be required if pets are allowed. Procedures concerning deductions from and return of security deposit, with interest, are followed to the extent required by law.

4. ***Utilities and Other Charges.*** Tenant is responsible for utility services to the dwelling unit.

5. ***Maintenance.*** See Exhibit E for Tenant's maintenance duties.

6. ***Compliance with CROWN Program.*** Recitation that compliance with the CROWN Program is considered a material provision of the Lease and that non-compliance with the CROWN Program shall be considered a material default by Tenant of the Lease.

7. ***Other provisions.*** Tenant must comply with all other provisions specified in the lease and required by law.

EXHIBIT D
DESCRIPTION AND REQUIREMENTS OF CROWN PROGRAM

Introduction

The [NAME] CROWN Program will rent [ ] new single-family homes to persons willing to work toward home ownership. A desire for home ownership and a demonstrated willingness to address obstacles to owning a home will be the focus of tenant selection and will dictate the management services offered to the CROWN Program Tenants as outlined below. The CROWN Program has been established as a long term plan for home ownership.

Initial Tenant Pre-screening

Manager will screen applicants and select prospective Tenants substantially in conformance with the Leasing Guidelines set forth in the attached Exhibit C.

Obligations of Tenants

A. Enter into, and comply with all provisions of, a CROWN lease for the rental of the single family CROWN home.
B. Participate in and successfully complete an 8 hour REACH Course (standards attached) for Homebuyers provided by Manager and Housing Development Corporation.
C. Participate in and successfully complete a 3 hour RentWise Course (outline attached) for Tenants provided by Manager and Housing Development Corporation.
D. Perform ongoing maintenance in accordance with the attached Exhibit E.
E. Participate in homeowner maintenance training as provided by Manager.

Services Provided to Tenants Accepted Into the CROWN Program

A. Manager will set aside $50 per month of each tenant's rent in a Home Ownership Assistance Fund to be used for CROWN eligible expenses on a home purchase at the end of 15 years if the tenant fulfills all tenant responsibilities under the CROWN Program.
    1. Home Ownership Assistance Fund dollars will be treated as an operating expense to the project and will be maintained and held as an asset by the Owner in a separate bank account.
    2. Home Ownership Assistance Fund dollars must be used for eligible CROWN expenses as described on the attached Appendix 1.
    3. Tenants not completing the program will forfeit their right to participate in the Home Ownership Assistance Fund. Unused money from a family leaving the program early and all interest earned on the Home Ownership Assistance Fund account may be used at the discretion of the Owner.

These Home Ownership Assistance Fund dollars may be used to give more than a pro-rata share of the Home Ownership Assistance Fund to other families in the program, to purchase homeownership items for families in need under the program, or to repair damage to and update maintenance on a vacated property during the 15-year compliance period.

B. Manager will provide quarterly maintenance inspections to evaluate maintenance and upkeep of each unit. After the Tenants have been in the program one year, such inspections will be conducted semi-annually.

C. Manager will provide maintenance classes to Tenants to:

1. familiarize Tenants with the major electrical, heating and plumbing systems in their homes;
2. address problems identified in maintenance inspections;
3. raise awareness of seasonal preventive maintenance; and
4. teach home maintenance and repair skills.

D. Manager and Housing Development Corporation will provide the 8 hour REACH Course (standards enclosed) for homeownership skills.

E. Manager and Housing Development Corporation will provide the 3 hour RentWise Course.

F. Manager will provide information and referral services to Tenants about:

1. available home ownership programs and opportunities;
2. financing options for a home purchase;

G. Manager shall disburse funds from the Home Ownership Assistance Fund in accordance with the attached Appendix 1.

H. Manager shall sell each of the [ ] CROWN Homes at the end of the 15 year compliance period for an affordable price to an eligible tenant. No home shall be sold for less than $[ ] which is the approximate amount of remaining first mortgage debt and [DESCRIPT OTHER debt] (excluding interest) on each CROWN home.

Each home will be appraised at the time of sale to determine the fair market value of the home. In the sale of a home to an eligible tenant where the fair market value at the time of the sale exceeds the Initial sale price to an eligible Tenant (such difference, the "Initial Equity"), the deed transferring title shall contain a restriction limiting the proportion of the Initial Equity allocated to such eligible tenant in the event the eligible tenant resells the home to a third party or entity before such eligible Tenant has occupied the home continuously for 10 years (including rental period). The amount of Initial Equity allocated to an eligible tenant at the resale by such eligible tenant of the home (the “Subsequent Sale”) shall be determined in accordance with the following formula (to be set forth in any deed at the Initial Sale).

EXAMPLE:

Fair Market Value of home at time of Initial Sale
– (minus) Purchase Price of home at time of Initial Sale
x (multiplied by) Total number of years of continuous occupancy by eligible Tenant
÷ (divided by) 10
= Amount of Initial equity allocated to Qualified Tenant at time of Subsequent Sale

The remaining Initial Equity after allocation to the Qualified Tenant in accordance with the above formula shall be refunded to the Authority which will apply such funds toward home ownership programs in [City], Nebraska.

The eligible tenant, however, shall receive any amounts in excess of the Initial Equity attributable to the appreciation in the value of the home from the time of the Initial Sale to the time of the Subsequent Sale (the “Appreciation Equity”).

I. The Manager agrees that the CROWN restrictions will become part of the Land Use Restriction Agreement.

APPENDIX 1
CROWN ELIGIBLE EXPENSES

A. Down Payment Assistance.

B. Closing Costs Assistance.

C. Hardship credit assistance to assist in paying off hardship debt such as emergency medical bills.

D. Home Improvement Assistance to make repairs to purchase an existing home (or home they're in).

E. Costs of major appliances applicants may need for their new homes.

F. Moving expenses.

G. At the discretion of Owner, expenses for cleanup and repair of a vacated unit (these expenses are limited to interest earned on Home Ownership Assistance Fund and/or set aside fees paid by Tenants who leave the program early).

H. Others, as may be approved by Owner.

An eligible Tenant in the 16th year may draw on the CROWN set aside when:

1. The Tenant has fulfilled all its responsibilities under the Lease and CROWN Program.
2. The Tenant has identified a property to purchase.
3. The Tenant has secured financial resources to purchase the existing or new home.
4. The Tenant closes the purchase of the property.

EXHIBIT E

MAINTENANCE CONTRACT

Tenant hereby agrees to attend an orientation as well as periodic maintenance workshops conducted by Management.

At the time of execution of the Lease, management personnel will conduct an orientation with each participant that involves a "walk through" of the house and demonstration of maintenance of the mechanical systems of the house. Maintenance workshops will be scheduled periodically and will familiarize the Tenant with the major electrical, heating and plumbing systems in the home as well as discuss do-it-yourself repairs and home safety tips. The personnel may also, from time to time, provide training for the maintenance of the interior, exterior and grounds of the house.

ONGOING MAINTENANCE

Tenant agrees to perform certain minor maintenance in the house. Those items of minor maintenance that the Tenant is expected to perform include, but are not limited to:

Exterior

a) Cut grass, trim bushes and shrubs, rake leaves and fertilize plants and flowers as needed.
b) Maintain front and rear yard (keep yard free of trash and debris) and keep garbage cans covered at all times.
c) Shovel snow in winter. Keep stairs free from snow and ice at all times.
d) Repair/replace all broken windows (including repair or replacement of damaged door glass).
e) Repair/replace torn screens.
f) Repair and replace mailbox as needed.
g) Replace broken or missing address numbers on house.
h) Maintain and repair all fences.
i) Clean and maintain gutters.
j) Semi-annual maintenance on underground sprinkler system.
k) Other minor exterior maintenance as needed.

Interior

a) Paint all walls, ceilings, trim and any other paintable surfaces as needed.
b) Clean carpet as needed (at least annually).
c) Caulk sink and tub areas as needed.

d) Replace washers/cartridges in kitchen and bathroom faucets as needed.
e) Change furnace filters at least twice per heating season. (*write date on filter when it is placed in slot*)
f) Replace light bulbs.
g) Replace broken or missing doorknobs.
h) Replace window locks and lifts when broken or missing.
i) Replace mini blinds that are nonfunctional or damaged (style approved by Manager).
j) Test smoke detectors monthly, and replace batteries every six months.
k) Maintain and clean major appliances.
l) Replace salt in water softener.
m) Other minor interior maintenance as needed.

Report any peeling paint, plumbing leaks, running toilets, leaking roofs and any other serious problems to management.

I/we have read this contract and understand and accept responsibility for all the above items.

Date: ______________________________

Tenants: (All) __________________________ __________________________

____

____

Manager Agent: _________________________

EXHIBIT F

PARTICIPATION CONTRACT

This Participation Contract (this "Contract") with respect to the CROWN Program is entered into by and between [NAME], the general partner/managing member of [NAME] (referred to herein as "General Partner" "Managing Member"), [NAME] of [PROPERTY MTG], Rental Agent (referred to herein as "[NAME]"), and ______________________ and ______________________, Adult Heads of Household. The family includes everyone in the household and is referred to in this Contract as "family" or "Resident." Members of the family include _________ ____ ___

____ .

(List the names of all persons not Heads of Household who will occupy the unit listed below)

PURPOSE OF CONTRACT

The purpose of this Contract is to state the rights and responsibilities of the Resident/family, General Partner/Managing Member and [NAME] and the resources and supportive services to be provided to the Resident/family by General/Partner/Managing Member and [NAME] and the activities to be completed by the Resident/family.

TERMS OF CONTRACT

This Contract will be effective on the first date of the Resident/family's Residential Rental Agreement with [NAME] is in effect and expires at the same time Resident/family's Residential Rental Agreement with [NAME] expires. Extension of this Contract will be at the sole discretion of [NAME].

RESOURCES AND SUPPORTIVE SERVICES

During the term of this Contract, [NAME] will assist the Resident/family in identifying and accessing the necessary resources and services to help it achieve the goals outlined in the Resident's/family's Home Ownership Plan, as described below. These goals are designed to help the Resident/family overcome its obstacles to purchasing and maintaining its own home.

Responsibilities of Resident/family

A. Enter into, and comply with all provisions of, a CROWN Residential Rental Agreement (“Lease”) for the rental of the single family CROWN home.
B. Participate in and successfully complete an 8 hour REACH Course (standards attached) for Homebuyers provided by General Partner/Managing Member and Housing Development Corporation.
C. Participate in and successfully complete a 3 hour RentWise Course (outline attached) for Tenants provided by General Partner/Managing Member and Housing Development Corporation.
D. Perform ongoing maintenance in accordance with the Maintenance Contract.
E. Participate in homeowner maintenance training as provided by General Partner/Managing Member.

Responsibilities of [NAME] and/or General Partner/Managing Member

A. General Partner/Managing Member will set aside $50 per month of Tenant's rent in a Home Ownership Assistance Fund to be used for CROWN eligible expenses on a home purchase at the end of 15 years if the Tenant fulfills all Tenant responsibilities under the CROWN program.

1. Home Ownership Assistance Fund dollars will be treated as an operating expense to the project and will be maintained and held as an asset by the Owner in a separate bank account.

2. Home Ownership Assistance Fund dollars must be used for eligible CROWN expenses as described on the attached Appendix 1.

3. Tenants not completing the program will forfeit their right to participate in the Home Ownership Assistance Fund. Unused money from a family leaving the program early and all interest earned on the Assistance Fund account may be used at the discretion of the Managing Member. These Home Ownership Assistance Fund dollars may be used to give more than a pro-rata share of the Assistance Fund to other families in the program, to purchase homeownership items for families in need under the program, or to repair damage to and update maintenance on a vacated property during the 15-year compliance period.

B. General Partner/Managing Member will provide quarterly maintenance inspections to evaluate maintenance and upkeep of each unit. After the Tenants have been in the program one year, such inspections will be conducted semi-annually.

C. General Partner/Managing Member will provide maintenance classes to Tenants to:

1. familiarize Tenants with the major electrical, heating and plumbing systems in their homes;
2. address problems identified in maintenance inspections;
3. raise awareness of seasonal preventive maintenance; and
4. teach home maintenance and repair skills.

D. General Partner/Managing Member and Housing Development Corporation will provide the 8 hour REACH Course (standards enclosed) for homeownership skills.

E. General Partner/Managing Member and Housing Development Corporation will provide the 3 hour RentWise Course (outline enclosed).

F. General Partner/Managing Member will provide information and referral services to Tenants about:

1. available home ownership programs and opportunities;
2. financing options for a home purchase;

G. General Partner/Managing Member shall disburse funds from the Home Ownership Assistance Fund in accordance with the attached Appendix 1.

H. General Partner/Managing Member shall sell each of the [#] [NAME] CROWN Homes at the end of the 15 year compliance period for an affordable price to an eligible Tenant. No home shall be sold for less than $[ ] which is the approximate amount of remaining first mortgage debt and [NAME] debt payable to [NAME] (excluding interest) on each CROWN home.

Each home will be appraised at the time of sale to determine the fair market value of the home. In the sale of a home to an eligible tenant where the fair market value at the time of the sale exceeds the Initial sale price to an eligible tenant (such difference, the "Initial Equity"), the deed transferring title shall contain a restriction limiting the proportion of the Initial Equity allocated to such eligible tenant in the event the eligible tenant resells the home to a third party or entity before such eligible tenant has occupied the home continuously for 10 years (including rental period). The amount of Initial Equity allocated to an eligible tenant at the resale by such eligible tenant of the home (the "Subsequent Sale") shall be determined in accordance with the following formula (to be set forth in any deed at the Initial Sale).

EXAMPLE:

Fair Market Value of home at time of Initial Sale
– (minus) Purchase Price of home at time of Initial Sale
x (multiplied by) Total number of years of continuous occupancy by eligible Tenant
÷ (divided by) 10
= Amount of Initial equity allocated to Qualified Tenant at time of Subsequent Sale

The remaining Initial Equity after allocation to the Qualified Tenant in accordance with the above formula shall be refunded to [NAME] which will apply such funds toward home ownership programs in [CITY], Nebraska.

The eligible tenant, however, shall receive any amounts in excess of the Initial Equity attributable to the appreciation in the value of the home from the time of the Initial Sale to the time of the Subsequent Sale (the "Appreciation Equity").

I. The General Partner/Managing Member agrees that the CROWN restrictions will become part of the Land Use Restriction Agreement.

Termination of Participation Contract

[NAME] may terminate this Contract when one or more of the following occur:

(a) the Resident and [NAME] agree to terminate this Contract;

(b) [NIFA] determines that the Resident has not fulfilled its responsibilities under this Contract; and

(c) the Resident is in default on its lease agreement and subject to eviction.

[NAME] may declare this Contract null and void if the resources and services necessary to complete this Contract are not available.

[NAME] must give notice of termination or nullification to any adult listed on the family's lease agreement. The notice must state the reasons for [NAME]'s decision to terminate or nullify this Contract. If this Contract is terminated or nullified for any of the above-stated reasons, the lease agreement will also be terminated.

Dated:_________________________

[NAME]

By ________________________ By ________________________

Rental Agent

Resident / Family

By ____
[Adult Family Member]

By ____
[Adult Family Member]

APPENDIX 1
CROWN ELIGIBLE EXPENSES

A. Down Payment Assistance.

B. Closing Costs Assistance.

C. Hardship credit assistance to assist in paying off hardship debt such as emergency medical bills.

D. Home Improvement Assistance to make repairs to purchase an existing home (or home they're in).

E. Costs of major appliances applicants may need for their new homes.

F. Moving expenses.

G. At the discretion of Owner, expenses for cleanup and repair of a vacated unit (these expenses are limited to interest earned on Home Ownership Assistance Fund and/or set aside fees paid by Tenants who leave the program early).

H. Others, as may be approved by Owner.

An eligible tenant in the 16th year may draw on the CROWN set aside when:

1. The tenant has fulfilled all its responsibilities under the Lease and CROWN Program;
2. The tenant has identified a property to purchase;
3. The tenant has secured financial resources to purchase the existing or new home; and
4. The tenant closes the purchase of the property.

EXHIBIT G
INSURANCE REQUIREMENTS

All Policies Must Be In Owner's Name

Owner's Coverage Requirements:

Comprehensive Public Liability on an "occurrence basis" against claims for personal injury in an amount of at least $1,000,000 coverage for any single occurrence and $2,000,000 aggregate for any single year, with excess umbrella liability coverage in an amount equal to at least $1,000,000.

Named Insured on Public Liability: [NAME]
[Address]

and

[Investor]

[Address]

Workman's Compensation for on-site employee's $1,000,000 per occurrence

Property Hazard (fire and extended coverage) replacement cost (with not more than $2,500 deductible from the loss payable for any casualty)

Named Insured and Loss Payee on Property Hazard:

[NAME]
[Address]

and

[Investor]

[Address]

Building Ordinance Coverage [NAME] and [INVESTOR] as both additional insured and loss payee.

Include:

1. Loss to Undamaged Portion of the Building – Local building ordinances are different. Some communities require the demolition of a building if a certain percentage of the structure is damaged. The standard insurance policy typically only pays for the damaged portion of the building. Coverage under this endorsement provides protection against the loss resulting from the demolition of the undamaged portion of the building.

2. Increased Cost of Construction –Building codes change. If a structure was erected prior to the change, the building usually is “grandfathered” as to complying with the changes. However, if loss or damage to the building occurs the local government can mandate that the building be constructed or repaired to meet current building codes. This typically is not anticipated in developing the replacement cost of the building; therefore adequate limits will not provide protection for this situation. Coverage under this endorsement covers this gap in protection.

3. Demolition Costs – When a loss occurs, whether partial or total, many municipal ordinances require that the building be demolished and site cleared of all debris. The limit provided under the standard building policy typically is not adequate to cover these expenses. The inclusion of a limit under this endorsement covers the cost of demolition. Recovery is typically limited to the cost of the demolition or the limit set forth in the endorsement.

Loss of Rent

Commencing on or before the date of Construction Completion an amount equal to the greater of (a) the maximum amount of rental income that could be generated over a 12 month period assuming each home in the Project was rented at the then maximum rent permitted under Code Section 42, (b) rental income for the prior 12 months or (c) the amount of such insurance required by any Lender.

Named Insured and Loss Payee on Loss of Rent:

[INVESTOR NAME]
[Address]

Flood Insurance (if applicable):

Flood Insurance is required if the Project is in any of the following High Risk Flood Zones: A, AE, A1-A30, AH, AO, AR, or A99; High Risk Zone, Coastal Area, Zones: V, VE, V1-30 or an Undetermined Risk Area (Zone D). The amount of flood insurance required shall equal the total building costs.

On all certificates:

Identify the Project as:

[NAME], commonly known as [NAME] Crown, containing thirteen homes located in [CITY], Nebraska.

Revise the Cancellation Statement on the Certificate to Read precisely as Follows:

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days (10 days for cancellation due to nonpayment of premium) written notice to the certificate holder named to the left.

ARTICLE I

APPOINTMENT AND ACCEPTANCE 1

ARTICLE II

TERM 1

ARTICLE III

SERVICES OF MANAGER
Section 3.01. Rentals 3
Section 3.02. Qualified Rental Use 4
Section 3.03. Collection of Rents and Other Receipts 5
Section 3.04. Enforcement of Leases 5
Section 3.05. Maintenance and Repairs 5
Section 3.06. Utilities and Services 6
Section 3.07. Personnel 6
Section 3.08. Project Operating Account 6
Section 3.09. Operating Budget 7
Section 3.10. Records and Reports 7
Section 3.11. Tenant-Management Relations 8
Section 3.12. Owner Communications 8
Section 3.13. Non-Discrimination 8
Section 3.14. Compliance With Crown Program 9
Section 3.15. Home Ownership Assistance Fund 9

ARTICLE IV

MANAGEMENT AUTHORITY
Section 4.01. Authority 11
Section 4.02. Delegation of Duties 11
Section 4.03. Compliance With Law 11

ARTICLE V

INSURANCE AND INDEMNIFICATION
Section 5.01. Liability of Manager 11
Section 5.02. Insurance 11
Section 5.03. Cooperation 12
Section 5.04. Indemnification of Owner 12
Section 5.05. Indemnification of Manager 12
Section 5.06. Indemnification of the Authority 12
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ARTICLE VI

COMPENSATION 13
ARTICLE VII..
COOPERATION 13
ARTICLE VIII
NOTICES 13
ARTICLE IX
MISCELLANEOUS
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Section 9.02. Special Power of Attorney 14
Section 9.03. Amendments 14
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Section 9.05. Waiver 15
Section 9.06. Illegality 15
Section 9.07. Relationship 15
Section 9.08. Binding Effect 15
Section 9.09. Governing Law 15
Section 9.10. Enforceability 15
Section 9.11. Execution of Counterparts 15
Section 9.12. Successors and Assigns 15
Section 9.13. Sale of Units to Qualified Tenant 15

EXHIBIT A PROPERTY ADDRESSES
EXHIBIT B ASSET MANAGEMENT PLAN
EXHIBIT C LEASING GUIDELINES
EXHIBIT D DESCRIPTION AND REQUIREMENTS OF CROWN PROGRAM
EXHIBIT E MAINTENANCE CONTRACT
EXHIBIT F PARTICIPATION CONTRACT
EXHIBIT G INSURANCE REQUIREMENTS

2022 LIHTC/HOME/CDBG-DR/HTF APPLICATION
SCORE SHEET

Date:
Round:

Project Name: **NIFA #**

City **County:**

Threshold Criteria			**Met Threshold**
Exhibit 1	One-page Summary of Proposed Development		
Exhibit 2	Details of any sale or transfer of LIHTC & AHTC		
Exhibit 3	Non-Profit Information		
Exhibit 4	Relocation assistance plan		
Exhibit 5	Evidence of rental assistance		
Exhibit 6	Current utility allowance documentation		
Exhibit 7	Pictures of the site/structure from each direction (N,W,S,E)		
Exhibit 8	Location Map		
Exhibit 9	Site Visit Review and Approval (DED)		
Exhibit 10	Site Visit Review and Approval - CDBG-DR		
Exhibit 11	ERR & DLR (DED)		
Exhibit 12	Notice of Public Hearing (DED)		
Exhibit 13	Authorizing resolution for local Governments (DED)		
Exhibit 14	Assurances & certification for local Gov'ts (DED)		
Exhibit 15	Residential anti-displacement & relocation (DED)		
Exhibit 16	Certification for non-profits and housing authorities (DED)		
Exhibit 17	Resolution for non-profits and housing authorities (DED)		
Exhibit 18	Certification of rental project federal assistance (DED)		
Exhibit 19	SAM documentation (DED)		
Exhibit 22	HOME/HTF Cost Allocation (DED)		
Exhibit 100	Architect Certification, Required Design & Green Standards, and Architectural Plans		
Exhibit 101	Fair Housing Act & Section 504		
Exhibit 102	Affirmative Marketing Plan		
Exhibit 103	Site Control		
(90 days)	- Option to Purchase w/current proof of ownership		
	- Disposition/Development Agreement		
(exception VA & Tribal Land)	- Signed Land Lease (50 years) w/proof Leasee owns the Land		
	- Recorded Warranty Deed		
Exhibit 105	Zoning		
	- Meets all zoning requirements		
	- Not subject to zoning		
	- Nonconforming, can be obtained in 180 days		
Exhibit 106	Utilities		
Exhibit 107	Subsidies/Public Funds		
	- No Subsidies needed other than NDED HOME Funds and/or LIHTC		
	- Firm commitments/awards for all Subsidies		
	- All Subsidies have been applied for		
	- All Subsidies have been discussed		

Exhibit 108	Investor Interest/Commitment Form		
(180 days)	- Firm commitment & pricing accepted via signature (range no greater than .05)		
(180 days)	- Letter of interest & pricing (range no greater than .05)		
Exhibit 109	Construction/Interim Financing Form		
(180 days)	- Construction financing commitments		
	- Construction financing from own sources		
Exhibit 110	Permanent Financing Form		
(180 days)	- Permanent financing commitments (accepted via signature)		
	- Permanent financing from own sources		
	- Development does not require Permanent Financing		
	- Interest Form		
Exhibit 111	Development Worksheets (Underwriting Criteria)		
	- Debt service coverage ratio 1.20 or higher		
	- No permanent debt service		
	- Debt service coverage ratio between 1.15 - 1.19		
Exhibit 112	Market Study		
Exhibit 113	Pre-notification		
Exhibit 114	Capital Needs Assessment (Rehabilitation and Adaptive Reuse only)		
	- Capital Needs Assessment		
	- Not required (not a rehab project)		
Exhibit 115	Ten Year Rule/Appraisal		
	- Legal Opinion that Ten Year Rule Met (non-assisted building)		
	- Legal Opinion that the Acq. of the Existing bldg is exempt from the Ten Year Rule		
	- Not required (not an acquisition project)		
Exhibit 116	AHTC Investor Interest/Commitment Form		
(180 days)	- Firm commitment & equity pricing $0.60 or greater		
(180 days)	- Letter of interest or commitment and pricing of less than $0.60		
	Are all Threshold Exhibits submitted and complete?		

Other Selection Criteria -	Points	Score
(minimum of 30 points for CRANE)		
Compliance & Extended Use Periods		
- 15 yr. compliance period + 15 yr. extended use	0	
- 15 yr. compliance period + 25 yr. extended use	1	
- 15 yr. compliance period + 30 yr. extended use	2	
- Waive right of Qualified Contract option	3	
Right of First Refusal - Exhibit 200 Checked Yes & listed	2	
Eventual Tenant Homeownership (CROWN) - Exhibit 201 (Homeownership Plan)	2	
Preservation - Exhibit 202		
- Federally Assisted Building	2	
- Preservation of Existing Affordable Housing (i.e. USDA-RD or HUD)	3	
- Use of Federal Historic Tax Credits	2	
Senior Development - Exhibit 203		
-Development reserved for elderly tenants?	2	
Family Development		
-10% of units being four-bedroom or larger	1	
Mixed Income Development - Checked Yes		
- 10% Market Rate	1	
- 15% Market Rate	2	
- 20% Market Rate	3	
Development of Housing in Greater Nebraska - Exhibit 204		
-W/in last 12 months, applicant/developer has materially participated in development of single family/rental housing with incomes not exceeding 150% AMI with pop of 15,000 or less with at least 10 units	2	
Economic Development Certified/Entitlement/Leadership Comm	2	
PHA Referral Agreement - Checked Yes & Exhibit 205 (Agreement)	1	

Developer/Owner Financial Support		
- aggregate of deferred fees/capital contr/personal loan is 25% of the total of the developer fee & overhead	2	

Other Selection Criteria cont.	**Points**	**Score**
Track Record of Applicant and/or Owner - Exhibit 206		
-Certification of Experience -Applicant and Owner	1	
Management Qualifications and Experience		
-Certification of Experience -Property Management-Exhibit 207	1	
-Attendance at 2021 or 2022 NIFA LIHTC Compliance Training-Exhibit 208	2	
-Housing Credit Certified Professional-Exhibit 208	1	
Design Standards, Green Standards, and Amenities		
Design Standards (max = 7 points) - Exhibit 209		
- Brick or stone in excess of 25% of the front street visible exterior elevation	2	
- Landscaping on street-visible elevations	2	
- 20% or more meet visitability standards	2	
- Exterior additions (shutters, patio/porch, etc.)	1	
Green Standards (max = 6 points) - Exhibit 209		
- Development includes geothermal closed loop heat pump or active solar	3	
- Installation of smart internet connected thermostat for every HVAC system (can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit	2	
- All mechanical equipment will be Energy Star® rated	2	
- All exterior windows and doors will have an average R-value of 3.75 (.267 U Factor).	1	
- All exterior lighting will be photocell or timer controlled	1	
- All carpet will include recycled-content carpet pad & carpet	1	
- All interior paints & finishes - less than 250 grams/liter of VOCs	1	
- Water conservation techniques utilized	1	
- Builder will follow written waste reduction, recycle & reuse plan	1	
- Utilize passive solar building design (include description)	1	
- Meet or exceed the requirement of the CDBG-DR Green Standards	6	
Amenities (max = 8 points) - Exhibit 209		
- Furnished Community Room w/minimum of 600 sq. ft.	2	
- Washer & dryer installed in each unit	3	
- Garage for each unit	2	
- Community garden w/dedicated water source or recreational equivalent	1	
- Storm shelter	2	
- Washer & dryer hook-ups	1	
- Community laundry room	1	
- Exterior playground area/Exercise equipment OR for individual playground for each unit in CROWN/scattered sites	2	
- Medical alert/emergency response system in each unit	1	
- Broadband/High-speed internet access at no cost to tenant	2	
- Fiber internet access at no cost to tenant	3	
- Built in designated work or school space (must be at least 4 feet x 4 feet)	1	
- Storage area (6w x 6d x 8h = 288 cubic feet)	1	
Project-Based Rental Assistance - Exhibit 2010 (Letter of commitment)	2	
Supportive Services (max = 4 points) - Exhibit 211 (Supportive Service plan and commitment letters)		
- Transportation to services for the tenant (12 round trips per year)	2	
- Quarterly onsite medical, dental or vision testing	2	
- Monthly foot care clinics	2	
- On-going medical alert/emergency response system	2	
- Owner paid renter's insurance for tenant (yearly)	3	
- Monthly onsite congregate meals served to the tenant	1	
- Annual deep cleaning of the unit	2	
- Annual RentWise Education	1	
- Monthly onsite beautician services	2	
-Semi-annual clean-up events	1	
- Monthly onsite, organized tenant activities	1	
- Onsite food pantry	2	
- Quarterly state and federal benefits counseling	1	
-Monthly onsite mental health services	3	
-Monthly onsite job training	2	
-Quarterly onsite Therapy Animal visits	1	
-Tenant Savings Plan (CROWN projects not eligible)	1	
-Tenant Down payment Savings Plan (CROWN projects not eligible)	2	
- Ongoing recycling services provided	2	
-Quarterly financial management classes	1	

-Weekly exercise classes	3	
-Quarterly parenting classes	2	
-Monthly nutrition education classes	2	
-Onsite licensed childcare with enrollment fee waived for tenants of the development.	3	
-Weekly tutoring services for students	3	
-Weekly after-school enrichment program	3	
-Monthly financial literacy classes for children	2	
- Other services, subject to NIFA's approval.	1	
Leverage and Collaboration - Exhibit 212		
-5-9.99%	1	
-10-14.99%	2	
-15-19.99%	3	
-20 and above	4	
Proximity to Services **(NON-METRO ONLY)** - Exhibit 213		
- Grocery store, Farmer's Market, and/or Pharmacies (w/in 3 miles)	.5	
- Hospital, Medical Clinics, and/or Urgent Care (w/in 3 miles)	.5	
- Schools, Daycare, Senior, and/or Community Center (w/in 3 miles)	.5	
- Public Park and/or Library (w/in .5 miles)	.5	
Community Housing Initiatives **(NON-METRO ONLY)** - Exhibit 214		
-Community has demonstrated housing activities within the last 24 mo.	1	
Small Community **(NON-METRO ONLY)**		
-population of 5,000 or less	3	
- population between over 5,000 to 15,000	2	
Areas of High Opportunity **(METRO ONLY)**		
- Education	0-1	
- Health and Education	0-1	
- Social and Economic	0-1	
- All Three Very High rating	1	
Qualified Census Tract - Exhibit 215 & attached letter and a copy of the plan	2	
Neighborhood Plan or Choice Neighborhood -attach documentation - Exhibit 216	1	
SUBTOTAL Max points = 65 (Metro) 67 (Non-metro)		0
NIFA Scored Criteria		
Targeting Gross Rents	Up to 5	
Efficient Housing Production	Up to 6	
Efficient Use of HOME Funds	Evaluated by DED	
Natural Disaster Designation	up to 3	
SUBTOTAL Max points = 14		0
TOTAL Max points = 79 (Metro) 81 (Non-metro)		**0**

Project Information

QCT (Yes or No):	
Type of LIHTC Requested:	
Minimum Set Aside:	
Non-Profit Set-Aside (Yes or No):	
Metro/Non-Metro	
State Discretionary Basis Boost (Yes or No):	
Reason for Boost:	
Senior Project:	
CRANE Eligible:	

2022 LIHTC/CDBG-DR BOND APPLICATION
SCORE SHEET

Date:
Round:

Project Name: | **NIFA #**

City | **County:**

Threshold Criteria			**Met Threshold**
Exhibit 1	One-page Summary of Proposed Development		
Exhibit 2	Details of any sale or transfer of LIHTC & AHTC		
Exhibit 4	Relocation assistance plan		
Exhibit 5	Evidence of rental assistance		
Exhibit 6	Current utility allowance documentation		
Exhibit 7	Pictures of the site/structure from each direction (N,W,S,E)		
Exhibit 8	Location Map		
Exhibit 10	Site Visit Review and Approval - CDBG-DR		
Exhibit 11	ERR & DLR (DED)		
Exhibit 12	Notice of Public Hearing (DED)		
Exhibit 13	Authorizing resolution for local Governments (DED)		
Exhibit 14	Assurances & certification for local Gov'ts (DED)		
Exhibit 15	Residential anti-displacement & relocation (DED)		
Exhibit 16	Certification for non-profits and housing authorities (DED)		
Exhibit 17	Resolution for non-profits and housing authorities (DED)		
Exhibit 18	Certification of rental project federal assistance (DED)		
Exhibit 19	SAM documentation (DED)		
Exhibit 100	Architect Certification, Required Design & Green Standards, and Architectural Plans		
Exhibit 101	Fair Housing Act & Section 504		
Exhibit 102	Affirmative Marketing Plan		
Exhibit 103	Site Control		
(90 days)	- Option to Purchase w/current proof of ownership		
	- Disposition/Development Agreement		
(exception VA & Tribal Land)	- Signed Land Lease (50 years) w/proof Leasee owns the Land		
	- Recorded Warranty Deed		
Exhibit 105	Zoning		
	- Meets all zoning requirements		
	- Not subject to zoning		
	- Nonconforming, can be obtained in 180 days		
Exhibit 106	Utilities		
Exhibit 107	Subsidies/Public Funds		
	- No Subsidies needed other than NDED and/or LIHTC		
	- Firm commitments/awards for all Subsidies		
	- All Subsidies have been applied for		
	- All Subsidies have been discussed		
Exhibit 108	Investor Interest/Commitment Form		
(180 days)	- Firm commitment & pricing accepted via signature (range no greater than .05)		
(180 days)	- Letter of interest & pricing (range no greater than .05)		
Exhibit 109	Construction/Interim Financing Form		
(180 days)	- Construction financing commitments		
	- Construction financing from own sources		

Exhibit 110	Permanent Financing Form		
(180 days)	- Permanent financing commitments (accepted via signature)		
	- Permanent financing from own sources		
	- Development does not require Permanent Financing		
	- Interest Form		
Exhibit 111	Development Worksheets (Underwriting Criteria)		
	- Debt service coverage ratio 1.20 or higher		
	- No permanent debt service		
	- Debt service coverage ratio between 1.15 - 1.19		
Exhibit 112	Market Study		
Exhibit 113	Pre-notification		
Exhibit 114	Capital Needs Assessment (Rehabilitation and Adaptive Reuse only)		
	- Capital Needs Assessment		
	- Not required (not a rehab project)		
Exhibit 115	Ten Year Rule/Appraisal		
	- Legal Opinion that Ten Year Rule Met (non-assisted building)		
	- Legal Opinion that the Acq. of the Existing bldg is exempt from the Ten Year Rule		
	- Not required (not an acquisition project)		
Exhibit 116	AHTC Investor Interest/Commitment Form		(if applicable)
(180 days)	- Firm commitment & equity pricing $0.60 or greater		
(180 days)	- Letter of interest or commitment and pricing of less than $0.60		
	Are all Threshold Exhibits submitted and complete?		

Other Selection Criteria -	Points	Score
(minimum of 30 points scored in Other Selection Criteria for 4% LIHTC)		
Compliance & Extended Use Periods		
- 15 yr. compliance period + 15 yr. extended use	0	
- 15 yr. compliance period + 25 yr. extended use	1	
- 15 yr. compliance period + 30 yr. extended use	2	
- Waive right of Qualified Contract option	3	
Right of First Refusal - Exhibit 200 Checked Yes & listed	2	
Preservation - Exhibit 202		
- Federally Assisted Building	2	
- Preservation of Existing Affordable Housing (i.e. USDA-RD or HUD)	3	
- Use of Federal Historic Tax Credits	2	
Senior Development - Exhibit 203		
-Development reserved for elderly tenants?	2	
Family Development		
-10% of units being four-bedroom or larger	1	
Mixed Income Development - Checked Yes		
- 10% Moderate Rate	1	
- 15% Moderate Rate	2	
- 20% Moderate Rate	3	
Development of Housing in Greater Nebraska - Exhibit 204		
-W/in last 12 months, applicant/developer has materially participated in development of single family/rental housing with incomes not exceeding 150% AMI with pop of 15,000 or less with at least 10 units	2	
Economic Development Certified/Entitlement/Leadership Comm	2	
PHA Referral Agreement - Checked Yes & Exhibit 205 (Agreement)	1	
Developer/Owner Financial Support		
- aggregate of deferred fees/capital contr/personal loan is 25% of the total of the developer fee & overhead	2	

Other Selection Criteria cont.	Points	Score
Track Record of Applicant and/or Owner - Exhibit 206		
-Certification of Experience -Applicant and Owner	1	

Management Qualifications and Experience			
	-Certification of Experience -Property Management-Exhibit 207	1	
	-Attendance at 2021 or 2022 NIFA LIHTC Compliance Training-Exhibit 208	2	
	-Housing Credit Certified Professional-Exhibit 208	1	
Design Standards, Green Standards, and Amenities			
Design Standards (max = 7 points) - Exhibit 209			
	- Brick or stone in excess of 25% of the front street visible exterior elevation	2	
	- Landscaping on street-visible elevations	2	
	- 20% or more meet visitability standards	2	
	- Exterior additions (shutters, patio/porch, etc.)	1	
Green Standards (max = 6 points) - Exhibit 209			
	- Development includes geothermal closed loop heat pump or active solar	3	
	- Installation of smart internet connected thermostat for every HVAC system (can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit	2	
	- All mechanical equipment will be Energy Star® rated	2	
	- All exterior windows and doors will have an average R-value of 3.75 (.267 U Factor).	1	
	- All exterior lighting will be photocell or timer controlled	1	
	- All carpet will include recycled-content carpet pad & carpet	1	
	- All interior paints & finishes - less than 250 grams/liter of VOCs	1	
	- Water conservation techniques utilized	1	
	- Builder will follow written waste reduction, recycle & reuse plan	1	
	- Utilize passive solar building design (include description)	1	
	- Meet or exceed the requirement of the CDBG-DR Green Standards	6	
Amenities (max = 8 points) - Exhibit 209			
	- Furnished Community Room w/minimum of 600 sq. ft.	2	
	- Washer & dryer installed in each unit	3	
	- Garage for each unit	2	
	- Community garden w/dedicated water source or recreational equivalent	1	
	- Storm shelter	2	
	- Washer & dryer hook-ups	1	
	- Community laundry room	1	
	- Exterior playground area/Exercise equipment OR for individual playground for each unit in CROWN/scattered sites	2	
	- Medical alert/emergency response system in each unit	1	
	- Broadband/High-speed internet access at no cost to tenant	2	
	- Fiber internet access at no cost to tenant	3	
	- Built in designated work or school space (must be at least 4 feet x 4 feet)	1	
	- Storage area (6w x 6d x 8h = 288 cubic feet)	1	
Project-Based Rental Assistance - Exhibit 210 (Letter of commitment)		2	
Supportive Services (max = 4 points) - Exhibit 211 (Supportive Service plan and commitment letters)			
	- Transportation to services for the tenant (12 round trips per year)	2	
	- Quarterly onsite medical, dental or vision testing	2	
	- Monthly foot care clinics	2	
	- On-going medical alert/emergency response system	2	
	- Owner paid renter's insurance for tenant (yearly)	3	
	- Monthly onsite congregate meals served to the tenant	1	
	- Annual deep cleaning of the unit (must describe in service agreement)	2	
	- Annual RentWise Education	1	
	- Monthly onsite beautician services	2	
	-Semi-annual clean-up events	1	
	- Monthly onsite, organized tenant activities	1	
	- Onsite food pantry	2	
	- Quarterly state and federal benefits counseling	1	
	-Monthly onsite mental health services	3	
	-Monthly onsite job training	2	
	-Quarterly onsite Therapy Animal visits	1	
	-Tenant Savings Plan (CROWN projects not eligible)	1	
	-Tenant Down payment Plan (CROWN project not eligible)	2	
	- Ongoing recycling services provided	2	
	-Quarterly financial management classes	1	
	-Weekly exercise classes	3	
	-Quarterly parenting classes	2	
	-Monthly nutrition education classes	2	
	-Onsite licensed childcare with enrollment fee waived for tenants of the development.	3	
	-Weekly tutoring services for students	3	
	-Weekly after-school enrichment program	3	
	-Monthly financial literacy classes for children	2	
	- Other services, subject to NIFA's approval.	1	

Leverage and Collaboration - Exhibit 212		
-5-9.99%	1	
-10-14.99%	2	
-15-19.99%	3	
-20 and above	4	
Areas of High Opportunity		
- Education	0-1	
- Health and Education	0-1	
- Social and Economic	0-1	
- All Three Very High rating	1	
Qualified Census Tract - Exhibit 215 & attached letter and a copy of the plan	2	
Neighborhood Plan or Choice Neighborhood -attach documentation - Exhibit 216	1	
Bond Issuer Intent Resolution (Required)- Exhibit 217	0	
SUBTOTAL	Max points = 65	0
NIFA Scored Criteria		
Targeting Gross Rents	Up to 5	
Efficient Housing Production	Up to 6	
Efficient Use of HOME Funds	Evaluated by DED	
Natural Disaster Designation	up to 3	
SUBTOTAL	Max points = 14	
TOTAL	Max points = 79	**0**

Project Information

QCT (Yes or No):	
Type of LIHTC Requested:	
Minimum Set Aside:	
Non-Profit Set-Aside (Yes or No):	N/A
Metro/Non-Metro	
State Discretionary Basis Boost (Yes or No):	N/A
Reason for Boost:	N/A
Senior Project:	
CRANE Eligible:	N/A