



# LOW-INCOME HOUSING TAX CREDIT PROGRAM



## 2024-2025 Qualified Allocation Plan

Approved by NIFA Board of Directors on April 21, 2023  
Approved by Governor Pillen on May 10, 2023

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*





# 2024/2025 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.

**Notice of Public Hearing**  
Nebraska Investment Finance Authority For the 2024/2025 Housing Credit Allocation Plan  
Notice is hereby given that the Nebraska Investment Finance Authority (the Authority) will hold a public hearing with respect to the 2024/2025 Housing Credit Allocation Plan (QAP) on March 31, 2023, at 10:00 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: <https://us02web.zoom.us/j/8123002023?pwd=MTZUdVd-2srTsvG9fM78eYlYk4RAFwg8XdpP8>  
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 2024/2025 Housing Credit Allocation Plan is available on the Authority's website at [www.nifa.org](http://www.nifa.org) and at NIFA's office at 1230 O Street, Suite 200. Public comments may be submitted to NIFA in writing any time prior to the hearing to be held on March 31, 2023. 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.  
1146710 3:20 ZNEZ

RECEIVED MAR 24 2023

NIFA  
SHEILA GANS  
1230 O ST STE 200  
LINCOLN NE 68508

ORDER NUMBER 1146710

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 and that said newspaper is the legal newspaper under the statutes of the State of Nebraska.

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

Clerk of the Lincoln Journal Star

Signature *Vergan* Date 3-21-23

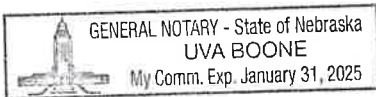
Section: Class Legals  
Category: 0099 LEGALS  
PUBLISHED ON: 03/20/2023

TOTAL AD COST: 51.66  
FILED ON: 3/21/2023

Subscribed in my presence and sworn to before me on

March 21, 2023

*U Boone* Notary Public



**AFFIDAVIT**

State of Florida, County of Charlotte, ss:

I, Madeline Vostrejs, being of lawful age, being duly sworn upon oath, hereby depose and say that I am agent of Column Software, PBC, duly appointed and authorized agent of the Publisher of Omaha World Herald, a legal daily newspaper printed and published in the county of Douglas and State of Nebraska, and of general circulation in the Counties of Douglas, and Sarpy and State of Nebraska, and that the attached printed notice was published in said newspaper on the dates stated below and that said newspaper is a legal newspaper under the statutes of the State of Nebraska.

**PUBLICATION DATES:**

19 Mar 2023

**NOTICE NAME:** Notice of Public Hearing (2024/2025 QAP)

**PUBLICATION FEE:** \$58.10

*Madeline Vostrejs*  
(Signed)

**VERIFICATION**

State of Florida  
County of Charlotte

Subscribed in my presence and sworn to before me on this:

*Rachael Mary Schultz*

Notary Public

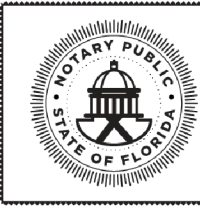
Notarized online using audio-video communication

**Nebraska Investment Finance  
Authority  
Notice of Public Hearing  
For the 2024/2025 Housing Credit  
Allocation Plan**

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<https://us02web.zoom.us/j/785123456789>

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.



RACHAEL MARY SCHULTZ  
Notary Public - State of Florida  
Commission # HH135673  
Expires on May 27, 2025

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**Nebraska Investment Finance Authority**  
**2024/2025 Qualified Allocation Plan Public Hearing**  
**Low Income Housing Tax Credit (LIHTC) &**  
**NE Affordable Housing Tax Credit (AHTC) Program**  
**March 31, 2023**

**Attendees:** Kathy Mesner and Chris Lenz, Mesner Development; Connor Menard, Excel Development Group; Carly Davis, Hoppe Development; Teresa Kile, Primesites; Rob Woodling, Foundations Development; Darin Smith, Mindy Crook and Elizabeth Heistand, Arch Icon; Cassandra Stark, Christina Zink and Mechele Grimes, Nebraska Department of Economic Development.

**Attendees via Zoom:** Thomas Judds; Ryan Tull; Ashley Solt; Nick Zeller; Karen Schmeits; Neeraj Agarwal; Turner Lesnick; Ryan Durant; Ryan Harris; Alisa Wilson; Theresa Reeves; Christina McKasy; Jay Palu; Alicia Christensen; Thom Amdur; Matthew Danner; A G; David Holtzclaw; and Lynn Kohout.

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

**NIFA Staff in Attendance via Zoom:** Joe Spitsen and Kelly Schultze.

Meeting called to order at 10:02 a.m. CT

**Summary of Public Comments categorized by topic:**

**Family Housing:**

Darin Smith, Arch Icon

Darin Smith read from his written comments which are attached.

[Please see response under written comments.](#)

**QCTs/Neighborhood:**

Darin Smith, Arch Icon

Darin Smith read from his written comments which are attached.

[Please see response under written comments.](#)

**Development of Housing in Greater Nebraska:**

Darin Smith, Arch Icon

Darin Smith read from his written comments which are attached.

Connor Menard, Excel Development Group

Connor Menard read from his written comments which are attached.

**Please see response under written comments.**

**Mixed-Income:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

**Please see response under written comments.**

**NDED Funding:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

Rob Woodling, Foundations Development

The NDED funding timelines should be stretched out to match the timeframe of how long it is currently taking to have projects reach release of funds.

Chris Lenz, Mesner Development Co.

Chris Lenz read from his written comments which are attached.

Connor Menard, Excel Development Group

Connor Menard read from his written comments which are attached.

Kathy Mesner, Mesner Development Co.

NDED has become a federal agency basically and this is reflected in the slow turnaround time.

**NDED Response: Thank you for your comments. The Department of Economic Development has taken your comments into consideration**

and has revised the milestone dates for the 2024 and 2025 NIFA/NDED Joint Application as follows:

**2024:** Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

**2025:** Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage. See order of milestones (i.e., stages) for an awarded project below:

1. DED issues Notice of Preliminary Award/Notice of Intent to Award (NOIA) letter
2. Underwriting and Compliance Reviews
3. HUD Environmental Clearance
4. DED issues Funding Agreement and related legal documents to developer
5. Construction and Lease-Up/Stabilization
6. Ongoing Affordability Period Compliance and Monitoring
7. CDBG-DR Closeout

For example: ABC Housing Developers successfully applied for CDBG-DR funding in the 2022 Joint Application round for the development of ABC



Place, LCC. NDED issued ABC Place, LLC a NOIA for that 2022/2023 LIHTC project. The ABC Place project team also includes ABC Housing Developers, ABC Consulting, and Anytown Housing Authority. Because they were on the project team for ABC Place, to be eligible for funding in 2024/25 for their XYZ Square project, ABC Housing Authority would need to have achieved HUD environmental clearance on ABC Place before DED would issue an NOIA for a 2024/2025 DED/LIHTC project. Similarly, if ABC Housing Developer successfully applied for a DED-funded project and received a NOIA for a Program Year 2021 or prior, ABC Housing Developer (or any member of the project team, including ABC Housing Developers, ABC Consulting, ABC non-profits or ABC Housing Authority) would need to have achieved HUD environmental clearance on that project before DED would issue an NOIA for a 2024/2025 DED/LIHTC project.

**CDBG-DR Funding:**

Rob Woodling, Foundations Development

The link in the application for CDBG-DR funding, does not state how much funding is available.

**NDED Response:** As the needs of the housing program change (e.g., a funding program becomes over- or under- subscribed), as grantee, DED is responsible for amending the underlying Action Plan to use the CDBG-DR funds most effectively. Amendments may include updates to the unmet needs assessment (UNA), the program sections, or reallocation of funding. The process required for completing such an amendment varies based on the specific scope of changes. In particular, and as defined in the Action Plan, substantial amendments will utilize the process for public participation. As with the initial Action Plan, all amendments are subject to HUD review and approval. The most up-to-date version of the Action Plan as amended, is made available on [DED's CDBG-DR public website](#).

**Design Standards:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

[Please see response under written comments.](#)

**Bond Cap Maximum for LIHTC:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

[Please see response under written comments.](#)

**Site Control:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

[Please see response under written comments.](#)

**Efficient Housing Production:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

[Please see response under written comments.](#)

Chris Lenz, Mesner Development Co.

Chris Lenz read from his written comments which are attached.

[Please see response under written comments.](#)

Teresa Kile, Primesites

Understands that NIFA needs to be good stewards with the tax credits; however, the efficient housing measures make it difficult for developers with innovative ideas to score in this section, as the costs are higher.

**Modifications to the Efficient Housing Production points in the 2022/2023 QAP reduced the weight of the efficiency points. NIFA will continue to evaluate these criteria. No change is proposed at this time.**

**Supportive Services:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

**Please see response under written comments.**

**Difficult to Develop Area:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

**Please see response under written comments.**

**Bond Issuance Fee:**

Carly Davis, Hoppe Development

Carly Davis read from her written comments which are attached.

**Please see response under written comments.**

**Collaboration and Leverage:**

Rob Woodling, Foundations Development

Donated land leases should be considered as an eligible source.

**NIFA will continue to evaluate this criterion.**

**Natural Disaster:**

Rob Woodling, Foundations Development

The application states the natural disasters happened three years ago; however, they were four years ago. Does this section need to be rewritten?

**NDED Response: In response to the historic disaster event and subsequent CDBG-DR allocation to support the state's long-term recovery process, language in the 22/23 QAP was adjusted to**

specifically list DR-4420. The federal government makes available CDBG-DR funding to assist in the long-term recovery process. Following the historic winter storm and flooding of 2019, the State received an allocation of CDBG-DR to assist in closing the gap on the unmet needs specific to that disaster. CDBG-DR funding is determined by formula allocation at the federal level. In their allocation of this funding, HUD incorporates identification of a most-impacted and -distressed (MID) area. As the CDBG-DR grantee, NDED is held to the underlying federal requirements of that funding, which includes a current benchmark of 80% of the total allocation being invested in the HUD-defined MID area, for DR-4420, this includes Dodge, Douglas, and Sarpy Counties.

Until the available program funds are depleted, the State of Nebraska must use the funds allocated in a strategic manner, utilizing the funding in the most-impacted, vulnerable areas while addressing a wide range of projects and needs throughout the impacted areas. The point structure will remain the same for counties included in the CDBG-DR HUD Grant for Winter Storm Ulmer (DR-4420). The counties of Dodge, Douglas and Sarpy may receive two (2) points for Natural Disaster designation. Similarly, communities that saw significant housing loss can receive three (3) Natural Disaster designation points. Those communities include Fremont, Gretna, Inglewood, La Vista, Papillion, Waterloo, Valley, Springfield and Bellevue.

**Threshold/Full Application Requirements and Dates:**

Chris Lenz, Mesner Development Co.

Chris Lenz read from his written comments which are attached.

**Please see response under written comments.**

Kathy Mesner, Mesner Development Co.

Not allowing applicants to make changes to the application after the full application deadline will hinder the project. Before, applicants could change their applications between threshold and full application, which allowed for changes to be more efficient with the development. This will be very

difficult, especially if the NDED wording does not change, as developers need to know now if they can apply for NDED funding.

**NIFA is proposing to change the 2024 9% Full Application deadline from July 19, 2023, to August 1, 2023.**

**Resyndication:**

Connor Menard, Excel Development Group

Connor Menard read from his written comments which are attached.

**Please see response under written comments.**

**Appraisal Requirement:**

Kathy Mesner, Mesner Development Co.

Requiring an appraisal is a bad idea, not only is it costly to have an appraisal completed, but what will happen when the sale price is higher than the appraisal value due to lot preparation work that was not considered in the appraisal. Also, the appraisal would be a year out from when any work would begin, so the appraisal would not be accurate.

**NIFA will take your comment under advisement. Clarifying language has been added.**

**Positive Comments:**

Kathy Mesner, Mesner Development Co.

Using total development costs is more transparent.

Carly Davis, Hoppe Development

- The threshold deficiency correction process will continue to help good projects from being thrown out on a technicality.
- We are excited about the opportunity to apply for NDED funding on 4% applications and believe this could be a powerful catalyst for limited gap funding to enable more projects to be submitted and awarded.
- We appreciate the opportunity to examine resyndication using straight 4%, no AHTC.

Connor Menard, Excel Development Group

We appreciate NIFA updating how rehabs are scored in the efficient housing production section. We know it wasn't NIFA's intent to essentially eliminate rehab projects by having them score 0's in the efficiency point categories by comparing them to previous years and having no weighted factor with the increase in construction pricing and interest rates form year to year. We hope this update will better reflect the cost efficiencies of each rehab project.

**Meeting Adjourned at 10:39 a.m.**

**Written Comments received – See attached correspondence from:**

- **Carly Davis, Hoppe Development**
- **Chris Lenz, Mesner Development Co.**
- **Brent Williams and Connor Menard, Excel Development Group**
- **Darin Smith, Arch Icon**
- **Rob Woodling, Foundations Development**
- **Ryan Durant, RMD Group LLC**
- **Thom Amdur, Lincoln Avenue Capital**

Carly Davis – Hoppe Development

**Positive Comments:**

- The threshold deficiency correction process will continue to help good projects from being thrown out on a technicality.
- We are excited about the opportunity to apply for NDED funding on 4% applications and believe this could be a powerful catalyst for limited gap funding to enable more projects to be submitted and awarded.
- We appreciate the opportunity to examine resyndication using straight 4%, no AHTC.

**Mixed Income:** Points are given for incorporating market rate units within a project. We'd like to see points awarded for 100% LIHTC projects incorporated into a larger mixed-income neighborhood. This would still support NIFA's goal of incentivizing mixed-income developments.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

**NDED Funding:** To request HOME/HTF funds on new applications, release of funds on 2023 awarded projects is now required. I am concerned about the timing between the 2024 9% awards and 2025 9% applications. Will DED have any policies in place to ensure timely delivery of contract and review and approval of special condition items required to achieve release of funds?

**NDED Response:** Thank you for your comments. The Department of Economic Development has taken your comments into consideration and has revised the milestone dates for the 2024 and 2025 NIFA/NDED Joint Application as follows:

**2024:** Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

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milestone aligns with the Funding Agreement stage. See order of milestones (i.e., stages) for an awarded project below:

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**Design Standards:** Design standards awards a point for “Solid Brick/Stone”. We think it would make sense to include other equally durable and attractive, but more affordable materials (for example Hardie Plank siding).

**NIFA will continue to evaluate these criteria. No change is proposed at this time.**



**Bond Cap Limit for LIHTC:** The bond cap limit for LIHTC-only needs aligned between application and QAP (in application says \$24 million, align with the application says \$22 million).

**NIFA is proposing a max project bond cap limit of \$26M per project for the 4% LIHTC/Bond only (no AHTC). The proposed limit has been updated in both documents.**

**Clarification Items:**

- Site Control now requires an appraisal if Seller is an interested party. Can “interested party” be defined? What happens if the sale price deviates from the appraised value?

**An interested party refers to a person or organization that can affect, be affected by, or perceive itself to be affected by the overall project development. This also refers to a person or organization that has a vested interest in the development. Clarifying language has been added.**

- Efficient Housing Production – could we clarify that these are total development cost per LIHTC unit, or per unit? Same with LIHTC residential square footage? We know what practice has been, but the language is ambiguous.

**The calculation process will remain the same; however, eligible basis will no longer be used and Total Development Cost (TDC) (excluding land, reserves, and NIFA fees) will be utilized for the TDC per unit and TDC per residential square footage calculations.**

- Supportive Services: I’d like clarification on how the addition of a free, referral website as a supportive service works with the requirement that “All services must be paid by the owner.”

**Clarifying language has been added.**

- We want to confirm that is pursuing points for a Difficult to Develop Area, you do not also need to align with a CCRP.

Clarifying language has been added. To receive two (2) points in the QCT/DDA section of the application the applicant must provide the required CCRP documentation as outlined in the application.

- Does the bond issuance fee include the issuing attorney fees, or are those extra?

Fees paid to NIFA as a bond issuance fee does not include fees to be charged by counsel retained by NIFA as “issuer’s counsel” or fees to be paid to bond counsel. Such fees are payable by the developer and are in addition to the NIFA bond issuance fee. If the same law firm is retained to be both NIFA’s issuer counsel and bond counsel, a single fee to cover both roles may be quoted.

Chris Lenz – Mesner Development Co.

**NDED Funding:** Closing with NDED is now taking at least nine months. It is our recommendation that the 2024 application year should reference the 2022 NIFA/NDED funding round and the 2025 application should reference the 2023 NIFA/NDED funding round. If this is not changed then we are requesting NIFA add a point category of two or three points for projects that do not request any funding at all from NDED.

**NDED Response: Thank you for your comments. The Department of Economic Development has taken your comments into consideration and has revised the milestone dates for the 2024 and 2025 NIFA/NDED Joint Application as follows:**

**2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).**

**2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint**

**Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).**

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- 6. Ongoing Affordability Period Compliance and Monitoring**
- 7. CDBG-DR Closeout**

**For example: ABC Housing Developers successfully applied for CDBG-DR funding in the 2022 Joint Application round for the development of ABC Place, LLC. NDED issued ABC Place, LLC a NOIA for that 2022/2023 LIHTC project. The ABC Place project team also includes ABC Housing Developers, ABC Consulting, and Anytown Housing Authority. Because they were on the project team for ABC Place, to be eligible for funding in 2024/25 for their XYZ Square project, ABC Housing Authority would need to have achieved HUD environmental clearance on ABC Place before DED would issue an NOIA for a 2024/2025 DED/LIHTC project. Similarly, if ABC Housing Developer successfully applied for a DED-funded project and received a NOIA for a Program Year 2021 or prior, ABC Housing Developer (or any member of the project team, including ABC Housing Developers, ABC Consulting, ABC non-profits or ABC Housing Authority) would need to have achieved HUD environmental clearance on that project before DED would issue an NOIA for a 2024/2025 DED/LIHTC project.**

**Threshold/Full Application Requirements and Dates:** It is my understanding that once an application is submitted on July 19<sup>th</sup> for Full Review financial and material changes to the project are not allowed. Developers must now need to know if their projects are eligible to apply for NDED Gap financing well in advance of this date, like today. If ROF is received after July 19<sup>th</sup> the applicant cannot apply for NDED funding between the Threshold Deficiency feedback date and the Deficiency Correction Date of September 15<sup>th</sup>. The changes proposed by NDED will have projects requesting more tax credits than we have seen in the past.

**NIFA is proposing to change the 2024 9% Full Application deadline from July 19, 2023, to August 1, 2023.**

**Efficient Housing Production:** The changes made are going to have several unintended consequences. There are two possible scenarios that developers will use to circumvent this new formula of using total development costs. 1 – Land costs are going to be artificially inflated due to developers moving infrastructure work or other costs to the purchase price of the land and having a deal with the seller to reimburse them for those costs later. Reserves will be overfunded. 2 – total development costs will be reduced as a whole to achieve more points.

**Clarifying language has been added. NIFA will require, as part of the Site Control requirements, a signed and dated certification stating all terms and conditions of the sale are included in the agreement and no other agreements between the parties exist. Appraisals are required for all applicants with an interested party. NIFA will only accept the investor/lender stipulated reserve amounts.**

Brent Williams and Connor Menard – Excel Development Group

**Positive Comment:**

We appreciate NIFA updating how rehabs are scored in the efficient housing production section. We know it wasn't NIFA's intent to essentially eliminate rehab projects by having them score 0's in the efficiency point categories by comparing them to previous years and having no weighted factor with the increase in construction pricing and interest rates form year to year. We

hope this update will better reflect the cost efficiencies of each rehab project.

**Development of Housing in Greater Nebraska:** By adding “new units” to this category, it would push developers to focus of new construction of housing, as opposed to rehabilitating housing, which many smaller communities need.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

**Resyndication timing in 4% App:** We agree on going back to the 15-year requirement; however, we would like to see this done in the 9% application as well.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

**NDED Funding:** When does release of funds need to be met: at full application, deficiency correction stage, or award date? Due to the timing of the rounds, anyone awarded HOME/HTF in the 2024 rounds would only have six months to get to release of funds to be eligible to apply for the 2025 year.

**NDED Response: Thank you for your comments. The Department of Economic Development has taken your comments into consideration and has revised the milestone dates for the 2024 and 2025 NIFA/NDED Joint Application as follows:**

**2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).**

**2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).**

**To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage. See order of milestones (i.e., stages) for an awarded project below:**

- 1. DED issues Notice of Preliminary Award/Notice of Intent to Award (NOIA) letter**
- 2. Underwriting and Compliance Reviews**
- 3. HUD Environmental Clearance**
- 4. DED issues Funding Agreement and related legal documents to developer**
- 5. Construction and Lease-Up/Stabilization**
- 6. Ongoing Affordability Period Compliance and Monitoring**
- 7. CDBG-DR Closeout**

**For example: ABC Housing Developers successfully applied for CDBG-DR funding in the 2022 Joint Application round for the development of ABC Place, LCC. NDED issued ABC Place, LLC a NOIA for that 2022/2023 LIHTC project. The ABC Place project team also includes ABC Housing Developers, ABC Consulting, and Anytown Housing Authority. Because they were on the project team for ABC Place, to be eligible for funding in 2024/25 for their XYZ Square project, ABC Housing Authority would need to have achieved HUD environmental clearance on ABC Place before DED would issue an NOIA for a 2024/2025 DED/LIHTC project. Similarly, if ABC Housing Developer successfully applied for a DED-funded project and received a NOIA for a Program Year 2021 or prior, ABC Housing Developer (or any member of the project team, including ABC Housing Developers, ABC Consulting, ABC non-profits or ABC**

Housing Authority) would need to have achieved HUD environmental clearance on that project before DED would issue an NOIA for a 2024/2025 DED/LIHTC project.

**Additional Tax Credit Requests:** The requirement of not allowing a developer fee to be increased and the deferred developer fee not to be decreased, seem to be an unnecessary restriction on developers.

**NIFA will continue to evaluate these criteria. No change is proposed at this time.**

**Developer/Owner Financial Support:** Many other states do not require this; however, it is essentially required as developers cannot leave two points on the table. The developers/owners are making the guarantees on the project and if any major shortfalls happen, it is up to the developer/owner to pay for it. Nebraska essentially has a 25% tax to developments in the state, which make it harder for developers/owners to provide high-quality, clean, safe affordable housing, when they have to take out 25% of their business.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

Darin Smith – Arch Icon

**Family Developments:** The family development category requires 10% of units with four-bedroom or larger (1,500 SF). The average size of a house is 1,500 square feet. Requiring a four-bedroom apartment to be 1,500 is not an efficient use of LIHTC. We recommend 1,200 square feet for a four-bedroom apartment. Also, requiring 1,600 square feet for a five-bedroom apartment is not efficient use of LIHTC.

**NIFA is reducing the required square footage of 4-bedrooms units or larger from 1,500 square feet to 1,200 square feet and a five-bedroom from 1,600 square feet to 1,500 square feet.**

**QCTs/Neighborhood:** NIFA gives two points to QCTs and one point to Choice Neighborhoods which, in Omaha for example, are largely in QCTs.

Almost all ARPA related funding for housing is being driven into QCTs and Choice Neighborhoods especially in North and South Omaha. If the use of diversitydatakids.org is no longer used as a balance, what mechanism does NIFA intend to use to maintain balance and avoid continual over-concentration of LIHTC?

**NIFA has not proposed any scoring changes in the QCT/DDA or Metro Only Areas of High Opportunity sections of the application.**

**Development of Housing in Greater Nebraska:** If a developer does not score these points, they are much less apt to get an allocation. This section does not necessarily “incentivize” new developers into the rural market as they would not get the points we’re assuming until they’ve received an 8609 for a qualifying development (if they actually received an allocation). How does a developer break into this scoring category. If NIFA chooses to continue with these points as proposed, NIFA may want or need to consider an open projects limitation.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

Rob Woodling – Foundations Development

**Track Record of Applicant and/or Owner:** Consultants should be added to this section.

**NIFA will continue to evaluate this criterion. No change is proposed at this time.**

Ryan Durant – RMD Group LLC

**NDED Funding:** There needs to be more time given because deals are taking longer to close and especially with NDED funds. Also, penalizing a consultant for a developer not getting their project closed in a timely manner does not make sense, as the consultant does not have control over the project.



**NDED Response: Thank you for your comments. The Department of Economic Development has taken your comments into consideration and has revised the milestone dates for the 2024 and 2025 NIFA/NDED Joint Application as follows:**

**2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).**

**2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).**

**To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage. See order of milestones (i.e., stages) for an awarded project below:**

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**QCT/Choice Neighborhood:** There is only one development group that can benefit from this point, so I believe it needs to be removed as it gives them an advantage that no other developer can get. If this point continues it encourages concentration of LIHTC in just certain small neighborhood pockets.

**NIFA has not proposed any scoring changes in the QCT/DDA section of the application. The point you are referencing is not limited to Choice Neighborhood participants. It is available for neighborhoods with a redevelopment plan or evidence of a HUD Choice Neighborhood.**

**Metro Applications:** Encourage language around transit-oriented development incentive for Metro projects.

**NIFA will take your comment under advisement. NIFA expects to develop, with partners, criteria for Areas of High Opportunity for the 2026/2027 QAP. Language regarding access to public transportation will be considered.**

Thom Amdur – Lincoln Avenue Capital

**Private Activity Bond Volume Cap:** One of the biggest barriers for the State of Nebraska is the small amount of PABs available for multifamily affordable housing development. Urge NIFA to advocate that the Governor increase the allocation available to NIFA for multifamily development.

**NIFA will take your comment under advisement.**

Urge NIFA to reconsider its \$18 million and \$22 million per development limits for projects financed with and without State AHTCs, respectively.

**NIFA is proposing a max project bond cap limit of \$26M per project for the 4% LIHTC/Bond only (no AHTC).**

**Private Activity Bond Volume Carry-Forward:** Urge NIFA to update its carry-forward policy so that MF allocation carries-forward for multifamily utilization in the following year.

**NIFA will take your comment under advisement.**

**Additional Private Activity Volume Cap Request:** We appreciate the addition of NIFA willing to consider requests for additional PAB Cap of up to 10%. It is not clear if this can be requested at the time initial application, could this be clarified?

**Clarifying language has been added.**

**4% LIHTC Developer Fee Policy:** The maximum developer fee a 4% LIHTC development could include in eligible basis in Nebraska is approximately 10%. This effective developer fee cap is very low, and we believe is a primary reason that there are very few multifamily tax-exempt bond 4% LIHTC transactions in the state. We suggest amending the current maximum allowable fee methodology to allow for the typical 2-6-6 (contractor overhead, profit, general conditions) plus a maximum combined developer

fee/developer overhead of 20-25% (of which everything above 15% must be deferred).

**NIFA will take your comment under advisement.**



# HOPPE

DEVELOPMENT

March 30, 2023

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

**RE: 2024/2025 QUALIFIED ALLOCATION PLAN  
COMMENTS & FEEDBACK**

Thank you for the opportunity to provide feedback on the 2024/2025 draft QAPs and applications.

First, there are several changes that we agree will strengthen the affordable housing program and simplify the application process:

- The threshold deficiency correction process will continue to help good projects from being thrown out on a technicality.
- We are excited about the opportunity to apply for DED funding on 4% applications and believe this could be a powerful catalyst for limited gap funding to enable more projects to be submitted and awarded.
- We appreciate the opportunity to examine resyndication using straight 4%, no AHTC.

We have a few areas of concern:

- Points are given for incorporating market rate units within a project. We'd like to see points awarded for 100% LIHTC projects incorporated into a larger mixed-income neighborhood. This would still support NIFA's goal of incentivizing mixed-income developments.
- To request HOME/HTF funds on new applications, release of funds on 2023 awarded projects is now required. I am concerned about this timing between the 2024 9% awards and 2025 9% applications. Will DED have any policies in place to ensure timely delivery of contract and review and approval of special condition items required to achieve release of funds? We currently have a project that is unable to receive release of funds until we determine NIFA's gap financing and get new coordinating commitments from other funding sources. Achieving release of funds is not entirely within the developers' control.
- Design standards awards a point for "Solid Brick/Stone". We think it would make sense to include other equally durable and attractive, but more affordable materials (for example Hardie Plank siding).

- The bond cap limit for LIHTC-only needs aligned between application and QAP (in application says \$24M, while the application says \$22M).

We'd also like additional clarification on several items:

- Site Control now requires an appraisal if Seller is an interested party. Can "interested party" be defined? What happens if the sale price deviates from the appraised value?
- Efficient Housing Production - could we clarify that these are total development costs per LIHTC unit, or per unit? Same with LIHTC residential square footage? We know what practice has been, but the language is ambiguous.
- Supportive Services: I'd like clarification on how the addition of a free, referral website as a supportive service works with the requirement that "All services must be paid by the owner."
- We want to confirm that if pursuing points for a Difficult to Develop Area, you do not also need to align with a CCRP.
- Please clarify: does the bond issuance fee include the issuing attorney fees, or are these extra?

Thank you for your consideration.

Sincerely,

**HOPPE DEVELOPMENT**



Clifford F. Mesner  
Kathryn L. Mesner

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Central City, Nebraska 68826  
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March 30, 2023

NIFA 2024/2025 Qualified Action Plan  
Public Hearing Comments

### Application Page 4

3. 2024: Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the **2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior)** must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

2025: Applicants and any member of the project team, including developers, consultants, non-profits, or housing agencies that were approved for projects from the **2024 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2023 and prior)** must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

CDBG-DR: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for DED or **DED/NIFA Joint Application projects from 2022, or prior**, must be at **award agreement stage or greater** to apply for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application. (NEED DEFINITION)

2022 Application date was 3/16/2022 and the Award date was 6/17/2022.

2023 Application Date was 7/20/2022 and the Award date was 10/21/2022.

In the 2022 funding round, Mesner Development Company received four awards with the following GAP Financing provided by DED:

- One without any DED funds
- One with Nebraska Affordable Housing Trust Funds administered by DED
- One with HOME funds administered by DED
- One with disaster relief funds administered by DED

As of today, March 31, 2023, the project with no GAP financing from DED closed in November 2022 (5 months after award); The project with Trust Funds received ROF on January 24, 2023 (7 months from award); The project with HOME funds received ROF this Monday, March 27<sup>th</sup>, 2023 (9 months from award), The project with CDBG-DR has not yet received ROF. No contracts have been signed and no projects have closed on debt or equity.

Regarding the 2023 funding round, as of today, of the three 2023 projects Mesner Development received a LIHTC award, two have HOME funds and one has CDBG-DR funds. None of these projects have received ROF and according to the revised joint NIFA-DED application, we cannot apply for any DED HOME/HTF funds for the 2024 round if we have not secured ROF by July 19, 2023, for projects awarded on October 21, 2022.

Though I agree with the premise that projects should be at ROF from a previous year for a developer to apply for the next round, it appears to me that the timing for this change is impossible to achieve for both DED staff and developers. DED needs to remember that two full years of funding were awarded in 2022 and now we are expected to receive ROF by July 19<sup>th</sup> for projects just awarded in October. Given the current state of program management and the unprecedented length of time it is now taking to achieve ROF these potential changes are not feasible for DED to achieve and allow developers to access GAP funding in future rounds.

The requirements for a developer to close with DED have not fundamentally changed in the 20+ years I have been working with this funding source. What has changed is the length of time that elapses from award to receiving ROF. The rule of thumb started out originally at 4 months and in the last five years has increased to six months. Today we are waiting at a minimum of nine months to close and receive ROF. Developers and our partners should not have to wait nine months or more to close with DED. NIFA changed the timing of its LIHTC rounds to help us secure contractors so we can begin construction in early spring. We are now at the first of April and the only dirt we have moved is on a project without DED GAP funding.

It is our recommendation that the 2024 application year should reference the 2022 NIFA/DED funding round and the 2025 application should reference the 2023 NIFA/DED funding round. If this is not changed then we are requesting that NIFA add a point category of two or three points for projects that do not request any funding at all from DED. Surrounding states that I have worked in are funding most, if not all their LIHTC projects without any state or federal HUD GAP financing.

## **Threshold/Full Application Requirements and Dates**

With the change from Threshold Application submission to Full Application on July 19<sup>th</sup> the changes in the DED section of the joint application further emphasize the need to question prohibiting the access of DED funds if projects from the prior two years are not at ROF. It is my understanding that once an application is submitted on July 19<sup>th</sup> for Full Review financial and material changes to the project are not allowed. Developers must now need to know if their projects are eligible to apply for DED GAP financing well in advance of this date, like today. If ROF is received after July 19<sup>th</sup> the applicant cannot apply for DED funding between the Threshold Deficiency Feedback date and the Deficiency Correction Date of September 15<sup>th</sup>.

The changes proposed by DED will obviously limit the number of applications NIFA will receive that need GAP funding to be feasible. The result will be that most tax credit applications will be submitted without DED funding and will then need to apply for more tax credits than we have seen in the past.



## Application: Efficient Housing Production Page 52

Efficiency Calculations are now being proposed to use Total Development Cost (excluding land, reserves, and NIFA fees) instead of Eligible Basis.

I firmly believe this change is going to have several unintended consequences. It has always been mentioned that Nebraska is one of the only states that is concerned about an efficient use of tax credits.

I applaud NIFA's effort to be good stewards of the credits we receive in the most transparent ways possible. The current efficiency calculations utilizing Eligible Basis allow everyone to see the financial structure of a project specifically through the submission of NIFA Exhibit 111. We all need to understand the difference between A: total project costs, B: eligible basis, and C: amortized costs. The formula is  $A=B+C$ . Some project costs are eligible to receive tax credits, some are not. The project costs that are not eligible for tax credits are paid for by amortized debt and/or equity and GAP financing. Having a developer reduce eligible basis costs to ask for less credits is not the same as hiding or totally removing the cost from the budget just to get funded. If that cost is reduced or eliminated from eligible basis, it still must be covered by other financial resources.

I see two possible scenarios that developers will use to circumvent this new formula of using total project costs. One, land costs are going to be artificially inflated due to developers moving infrastructure work or other costs to the purchase price of the land and having a deal with the seller to reimburse them for those costs later with additional debt post award. Reserves, especially rent up reserves, are going to be overfunded to move project costs into that account. Though both examples are not illegal per se, they are just a few of the ways to easily reduce total project costs for better efficiency points.

The second scenario, which I hope our syndicators and banks in the room have or will address, is that total development costs will be reduced as a whole to achieve more points. This is a more realistic outcome that I anticipate happening. I'm going to reduce my construction costs low enough to score well in all three categories. The problem with this scenario is that the true construction costs still exist and will have to be addressed after award either through additional debt, higher equity pricing or requesting additional credits. Basically NIFA, syndicators and banks will not be receiving true project costs at application underwriting.

If we leave the efficiency calculations as they are now, we at least see a true picture of what the total development costs are, what the proposed eligible basis is and what costs are contributing to debt and other funding sources. The current formula is a win for NIFA since it allows a project to ask for less credits and absorb those costs into debt and other non-NIFA funding sources and equity.

Thank you for the opportunity to share our comments with you today.

Christopher F. Lenz  
Mesner Development Co.



03/30/2023

Nebraska Investment Finance Authority  
1230 O Street, Suite 200  
Lincoln, NE 68508-1402

RE: NIFA 2024/2025 Draft QAP Comments

Dear NIFA:

Overall, we believe NIFA has a good Draft 2024/2025 QAP. Like last years QAP It does a good job balancing location points, cost efficiency points, leverage points, etc. We think there's some other states that skew way too much to location points or way too much to cost efficiency points. We commend NIFA for doing a good job balancing all the categories and their points. With that, we do have a few comments/suggestions to improve the Draft 2024/2025 QAP.

**QAP Change:** *"If there are not at least four applications proposing rehabilitation developments, the measurements from the previous year(s) shall be used with an increase applied (if applicable) based on the average new construction change in costs from the previous year."*

First off, we appreciate NIFA updating how rehabs are scored. We know it wasn't NIFA's intent to essentially eliminate rehab projects by having them score 0's in the efficiency point categories by comparing them to previous years and having no weighted factor with the increase in construction pricing and interest rates from year to year. We hope this update will better reflect the cost efficiencies of each rehab project.

**QAP Change:** *"Within the last twenty-four (24) months, the Applicant/Developer has materially participated in the development of **new units** of owner-occupied housing or rental housing."*

Is it NIFA's intent for developers to only develop new construction in rural areas and not do rehab projects in rural areas? That's what this change pushes developers to do. Talking with rural communities, they're desperate for any kind of housing whether it be new construction or rehab of older housing units. This would unnecessarily hurt the town who doesn't need 10 new homes but could use 8 homes being rehabbed and 2 new homes. It hurts the smaller communities to which these points are for. As hard as it is to make smaller projects work, we would advice not to add any new unnecessary restrictions that would make it harder to develop housing in our rural communities.

**QAP Change (4% App):** *"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~~ 15 years after the date the last building was placed in service."*

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We agree on going back to the 15 year requirement for resyndication and we recommend making the same change to the 9% application as the current change is only on the 4% application. Why the difference between the applications for this update? Housing is housing and this should be the same time period for the 4% and 9% application.

**QAP Change:** *“Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2024 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2023 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).”*

Release of funds needs to be met at what stage of the application: at full app, deficiency correction stage, or award date? If awarded HOME/HTF in the 2024 rounds at the end of October 2023. If you need a release funds by full app submission of the next round (May 9, 2024). That means you only have 6 months to get to release of funds to be eligible for the 2025 year. We would suggest NDED/NIFA to looking into possibly pushing this requirement back to the prior program year.

**QAP:** *“Additional Tax Credit Requests: The developer fee shall not be higher than the original amount from the final application submittal. The deferred developer fee shall not be less than the original amount reflected in application submittal.”*

These seem to be unnecessary restriction on developers. Developers can't lower their deferred developer fee or increase their developer fee after award for whatever reason. But syndicators can adjust their credit pricing after award, banks can adjust their construction and perm rates after award, and State Agencies can award developers less tax credits than they asked for. These items are an unnecessary burden to developers and we would recommend them being allowed with NIFA's approval as there are certain circumstances where they're needed.

**QAP:** *“DEVELOPER / OWNER FINANCIAL SUPPORT: Aggregate of deferred fees and/or capital contribution or personal loan is 25% or more of the total of the developer fee and overhead.”*

Many other states don't require this, (essentially required as you can't leave 2 points on the table). Developers/Owners have arguably the most skin in the game. The developers/owners are making the guarantees on the project and if any major shortfalls happen in the project it's up to developers/owners to pay for it. Nebraska essentially has a 25% tax to developments in the state. No other state that Excel develops in requires this. It makes it harder for developers/owners to provide high-quality, clean, safe affordable housing when they have to take out 25% of their business.

Sincerely,

*Brent Williams*

Brent Williams  
President  
402-219-3943  
[brent@exceldg.com](mailto:brent@exceldg.com)

*Connor Menard*

Connor Menard  
Development Director  
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## Arch Icon NIFA 2024-25 QAP / Application Comments

### Family Developments

10% 4-Bed or larger (1,500 SF) – 1,500 sf is the average size of a house. A 1,500 sf apartment is too large and not an efficient use of LIHTC. We recommend 1,200 sf for a 4 bedroom apartment.

5 bedrooms for apartments (1,600 SF) is not an efficient use of LIHTC.

### QCTs / Neighborhood

NIFA gives 2 points to QCTs and 1 point to Choice Neighborhoods which, in Omaha for example, are largely in QCTs. Almost all ARPA related funding for housing is being driven into QCTs and Choice Neighborhoods especially in North and South Omaha. All of this leads to more concentration of affordable housing.

If the use of diversitydatakids.org is no longer used as a balance, what mechanism does NIFA intend to use to maintain balance and avoid continual over-concentration of LIHTC?

### Development of Housing in Greater NE

What is the purpose or rationale for offering the 2 points for development in Greater Nebraska? In the new QAP it's under the heading "Incentivize Development Across Rural Nebraska".

1. Metro vs. Non-Metro Scoring - Developers who qualify get those points regardless of whether the application is metro or non-metro. That seems counterintuitive. As it is, a qualifying developer who doesn't do metro would score higher in metro than a developer who does only metro. This doesn't seem appropriate.
2. Incentivization
  - a. 2022 and 2023 had one single developer get 7 non-metro allocations.
  - b. Only one non-metro application did not get these points and it was one of two that did not receive an allocation but was an alternate.
  - c. Among 18 total allocations in 2022 and 2023 (7 developers), it appears only 3 (2 developers) did not get the 2 points for Greater Nebraska.

If developers don't score these points they are much less apt to get an allocation. Conversely, if they get these points they immediately have a 2 point advantage regardless of development, metro or non-metro. As it stands this will likely benefit the same developers year in and year out and creates at least the perception of preferential and/or discriminatory treatment. And, it does not necessarily "incentivize" new developers into the rural market as they would not get the points we're assuming until they've received an 8609 for a qualifying development which we would expect to take 2-3 years (if they actually received an allocation). How does a developer break into this scoring category?

If NIFA truly wants to incentivize rural development and developers without preference somehow give one or two points to any application that is for rural development and make it a non-metro only scoring item.

For reference, Iowa recognizes LIHTC experience by awarding 1.) one point for developers who have received 8609's on 2 LIHTC developments in the past 5 years, and 2.) two points for developers who have received 8609's on 3 LIHTC developments in the past 5 years. This is for any LIHTC development anywhere, not just Iowa.

Furthermore, if NIFA chooses to continue with these points as proposed, NIFA may want or need to consider an open projects limitation.

Yes  No

Rob Woodling

Written comment

3/3/23

**PHA REFERRAL AGREEMENT COMMITMENT:**

The development owner has entered into an agreement committed to working 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 commitment and proof of delivery as Exhibit 205, dated within one (1) year of the applicable final full 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:**

Number of previous LIHTC Developments:

(1 point)

List all LIHTC developments, detailing the project number, development name, date placed in service, and role in the development (choose one from the drop down box) as Exhibit 206.

Applicant and/or Owner entities that do not have a track record in the State of Nebraska or at least one (1) development placed in service, are not eligible for this 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. If applying for NDED funding, please refer to the HOME/CDBG-DR/HTF Applicant Information section of the application. See Exhibit Examples for Exhibit.

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 full application deadline must be submitted to NIFA at least ten (10) business days before the final full application deadline.

Consultant should be added

**From:** [Ryan Durant](#)  
**To:** [Sara Tichota](#); [Pamela Otto](#)  
**Subject:** 2024/2025 QAP/Application Comments  
**Date:** Friday, March 31, 2023 11:24:14 AM

---

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Hi Sara & Pam,

Here are some comments about the current application:

Page 4 - Item 3: I agree with a lot of the other comments that there needs to be more time given because deals are taking longer to close and especially with DED funds. Also trying to penalize consultants for a developer not getting their project closed in a timely manner doesn't make a lot of sense. The consultant has no control over that project timeline or funding so I believe the consultants should be removed from the language. As a consultant I work with multiple developers so it would get very confusing. (This same language shows up multiple times in the application)

Page 14 - QCT/Choice Neighborhood: There is only one development group that can benefit from this point so I believe it needs to be removed as it gives them an advantage that no other developer could get. If this point continues it encourages concentration of LIHTC in just certain small neighborhood pockets.

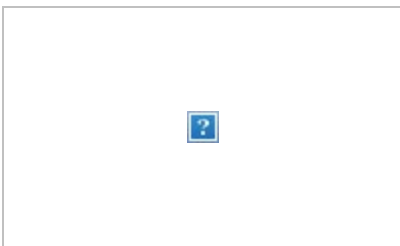
I would still encourage language around Transit Oriented Development incentive for Metro projects.

Thanks for your time and consideration.

--

Ryan M. Durant  
President

Office: 402-799-1820  
Mobile: 402-981-5822  
[ryan@rmdgroupllc.com](mailto:ryan@rmdgroupllc.com)



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March 31, 2023

Shannon Harner  
Executive Director  
Nebraska Investment Finance Authority  
1230 "O" Street, Suite 200  
Lincoln, NE 68508-1402

Dear Ms. Harner:

Thank you for the opportunity to submit feedback on Nebraska Investment Finance Authority's (NIFA) 2024-25 Qualified Allocation Plan (QAP). Lincoln Avenue Capital (LAC) is a national affordable housing developer that specializes in new construction and preservation affordable housing. We are actively exploring development opportunities in Nebraska utilizing the 4% Low-Income Housing Tax Credit (LIHTC) in conjunction with Private Activity Bonds (PABs).

#### [Private Activity Bond Volume Cap Availability](#)

One of the biggest barriers we face in the state of Nebraska is the small amount of PABs available for multifamily affordable housing development. Although the 4% LIHTC is a relatively shallow subsidy, historically one of the main advantages of the program is its relative ease of execution and predictability of obtaining the PABs. It is difficult to make investment decisions to take down land for development in a state like Nebraska where the resource is scarce and rationed out in small increments. We recognize that NIFA uses PABs for both single-family mortgage finance as well as multifamily development and that the overall allocation received by NIFA for housing is not determined by NIFA but rather dictated by the Governor. In addition to the QAP policy recommendations we are advocating for in the comments below; we urge NIFA to also advocate that the Governor increase the allocation available to NIFA for multifamily development. We further welcome your advice on how best developers like LAC can advocate for more PAB resources for NIFA.

We believe that if NIFA were able to access more PABs and dedicate a larger portion for multifamily on an annual basis the state would benefit from increased program participation and additional housing production. Additionally, having additional PAB will enable NIFA to initiate other policy changes that can further boost housing production, transactional efficiency and mission priorities. We also urge NIFA to consider tweaking its carry-forward policy.

It may also be timely for NIFA to consider additional long-term single-family deployment strategies that, if implemented, could stretch the PAB cap further while still meeting its single-family and multifamily housing targets. For example, Colorado Housing Finance Agency and the Tennessee Housing Development Agency both have very robust single-family programs but use little of their PAB for single-family MRBs by deploying blended taxable-tax-exempt single-family structures as well as single-





family drawdown bond structures. Finally, to the extent that multifamily PAB allocation is not used in any given year, we urge NIFA to update its carry-forward policy so that the MF allocation carries-forward for multifamily utilization in the following year.

### Market Conditions

As affordable housing developers, the biggest challenge we face today is inflation and the escalating construction cost environment. Construction materials pricing and supply chain disruptions continue to be a significant challenge. Land prices and building acquisition costs remain stubbornly high and labor costs are a significant barrier to financing and delivering quality affordable housing communities to the market.

To make matters worse, rising interest rates have reduced the debt proceeds we are able to leverage to offset these increased costs.<sup>1</sup> 4 percent LIHTC transactions are financed primarily with tax-exempt debt, making up approximately 70 percent of the capital stack, so the impact of even small increases in interest rates is magnified significantly for these transactions. We believe the current market dynamics are important to share as they provide context and urgency for the next discussion.

### Requests for Private Activity Bond Cap

We understand that given the limited amount of PAB available to NIFA, it must ration out its available cap. However, we urge NIFA to reconsider its \$18 million and \$22 million per development limits for projects financed with and without State AHTCs, respectively. The feasibility of multifamily bond developments benefits from economies of scale. The larger the transaction, the greater the ability to achieve efficiencies including spreading out the fixed costs of issuance and soft costs as well as procurement strategies like bulk purchasing. Larger projects also have lower average per unit operating costs, which helps with transactional feasibility. In today's market conditions, the current PAB \$22 million ceiling limits new construction projects in Nebraska to +/- 120 to 140 units. This range could decrease substantially if interest rates, construction, land costs and/or insurance premiums increase (or if LIHTC equity pricing decreases). Given the overhead, risk-profile, cost of capital and economies of scale many national bond developers target minimum deal sizes of between 150 and 200 units, which is not possible to achieve in Nebraska at this time.

We recognize that these ceilings are likely set low to allow for multiple projects to be funded (given the small amount of PAB available) and that there isn't necessarily a perfect policy solution at hand to suggest; however, we believe that NIFA may drive additional units by allowing for larger PAB requests and funding one or two "larger" projects in each category and backfilling with a smaller allocation to preservation transaction, which tend to need less volume cap.

---

<sup>1</sup> Our industry has benefited in recent years from historically low interest rates; however, as monetary policy has shifted, we believe there is an added sense of urgency to take additional action. Since the beginning of 2022, the yield on the 10-year Treasury has nearly tripled, increasing from 1.5% to as high 4.07% as recently as March 2, 2023. Given the latest inflation reports (6% in February) and the signaling from the Federal Reserve, we anticipate rates to continue to rise in the coming year.







We do appreciate and support the proposed amendment to increase the per development PAB ceiling by inflation in future years (at the Executive Directors discretion) but do not think this is sufficient. We believe increasing the ceiling, particularly in combination with our recommendations below will allow NIFA to fund a greater number of units and use its AHTCs more strategically for mission priorities.

We also appreciate the addition of section 5.5 of the QAP (Additional Private Activity Volume Cap Request), permitting NIFA to consider requests for additional PAB Cap of up to 10%. We believe this will be particularly helpful for projects with cost overruns or changing market circumstances that may make it difficult to achieve the IRS' 50 percent test. It is not clear from the way the section is drafted if a request can be processed at the time of the initial application – we would appreciate it if NIFA's staff could clarify this in its next draft.

### Current 4% LIHTC Developer Fee Policy Summary

Assuming the use of standard industry contractor cost control measures<sup>2</sup> (Builder/Contractor Overhead: 2%, Builder/Contractor Profit: 6%, General Conditions: 6%), the maximum developer fee a 4% LIHTC development could include in eligible basis in Nebraska is approximately 10%. This effective developer fee cap is very low, as compared to your peer HFAs, and we believe is a primary reason that there are very few multifamily tax-exempt bond 4% LIHTC transactions in the state. Given that Nebraska has excess PAB capacity and carries forward a substantial amount of volume cap each year, we believe NIFA has a unique opportunity to increase multifamily bond production through a basis maximization strategy. I have copied NIFA's 4% Developer Fee Policy below as a point of reference.

- (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

---

<sup>2</sup> HUD has issued cost-control and safe harbors standards for numerous multifamily programs including Section 8, Mixed-Finance and Choice Neighborhoods which adhere to the 2-6-6 standard. In the vast majority of QAPs around the country this is also the "norm"





## Basis Maximization Recommendation

From a practical perspective, increasing developer fees in a rising cost environment, as we are experiencing today, generates additional eligible basis and additional tax credit equity. This can be particularly impactful on tax-exempt bond transactions where the 4 percent LIHTCs are capped by eligible basis rather than an annual state ceiling. Lincoln Avenue Capital and other developers typically defer a substantial portion of our developer fees to fill project gaps. One way to frame our proposal of increasing developer fees in a rising cost environment is that the additional fee effectively will serve as additional construction contingency, much drawn on today as construction costs skyrocket.

We suggest amending the current maximum allowable fee methodology for to allow for the typical 2-6-6 (contractor overhead, profit, general conditions) Plus a maximum combined developer fee/developer overhead of 20-25% (of which everything above 15% must be deferred). This is a common strategy that many state housing finance agencies across the country have implemented, including Arizona, Kentucky, Ohio, Oklahoma, Oregon, and Tennessee. Additionally, we recommend eliminating the cap on developer fee on acquisition basis (currently set at 5%) for projects that are purchased from an unrelated party.

## Basis Maximization Explanation

Maximizing developer fees, within the constraints of the tax law, regulation, and reasonable underwriting, is a proven and successful method of generating additional LIHTC eligible basis, and in turn, equity proceeds which help fill project gaps and/or reduce the need to obtain state tax credits. This strategy has been deployed around the country to help fill project financing gaps where soft sources may be lacking or oversubscribed. We typically defer a substantial portion of our developer fee to fill project gaps and with uncertainty in the construction cost environment, the additional fee effectively serves as additional construction contingency. When the state of Tennessee increased its developer fee for bond developments from 15% to 25%<sup>3</sup> in 2014 the state experienced an immediate and rapid increase in unit production and preservation in 2015 and beyond (see appendix for details). What is even more remarkable about these production increases is that Tennessee does not have another significant source of soft financing for 4% transactions, and it has a regressive property tax system that includes the value of the tax credit equity in the property tax assessment.<sup>4</sup>

We believe it is important to acknowledge the role developer fees play in affordable housing transactions as well when you consider the appropriate fee setting mechanism. The IRS permits the inclusion of developer fees in eligible basis because these fees serve as the primary form of compensation for LIHTC developers. They pay for overhead of essential functions, including accounting, human resources, information technology, asset management, insurance and legal fees and many others. Developer fees also serve as the primary form of reimbursement for pre-development costs and resident services. If you are interested, we would be happy to share a case study that illustrates the potential impact of revising the 4 percent LIHTC developer fee methodology.

---

<sup>3</sup> Developer fee above 15% must be deferred per the THDA's Bond Program Description.

<sup>4</sup> Tennessee does not use any statewide home funds or housing trust funds for multifamily production.





We believe that the risk and financing profile of bond transactions, particularly in the current marketplace, warrant a different treatment. Developers take on more risk on bond deals because of the extended pre-development period and the high proportion of foreclosable debt, for which the developer is responsible. The developer fee compensates developers for these risks. The additional eligible basis generated by the increased fee will also generate more tax credit equity which will help offset reduced debt proceed brought on by rising interest rates and help plug gaps brought on by rising construction costs. Unlike 9 percent transactions, the additional eligible basis generated by increased fee will not deplete the overall supply of 4 percent credits, which as described above are “as of right” and uncapped.

### Conclusion

Lincoln Avenue Capital appreciates the opportunity to work with NIFA as it works on its upcoming QAP. We welcome the opportunity to discuss them with you further at your leisure and/or answer any questions you may have regarding our feedback. If it is helpful, we can illustrate the impact of these proposals through case examples as well. I can be reached at 860-287-1635 or [tamdur@lincolnavecap.com](mailto:tamdur@lincolnavecap.com).

Regards,

A handwritten signature in black ink, appearing to read "Thom Amdur", with a long horizontal flourish extending to the right.

Thom Amdur  
Senior Vice President, Policy & Impact

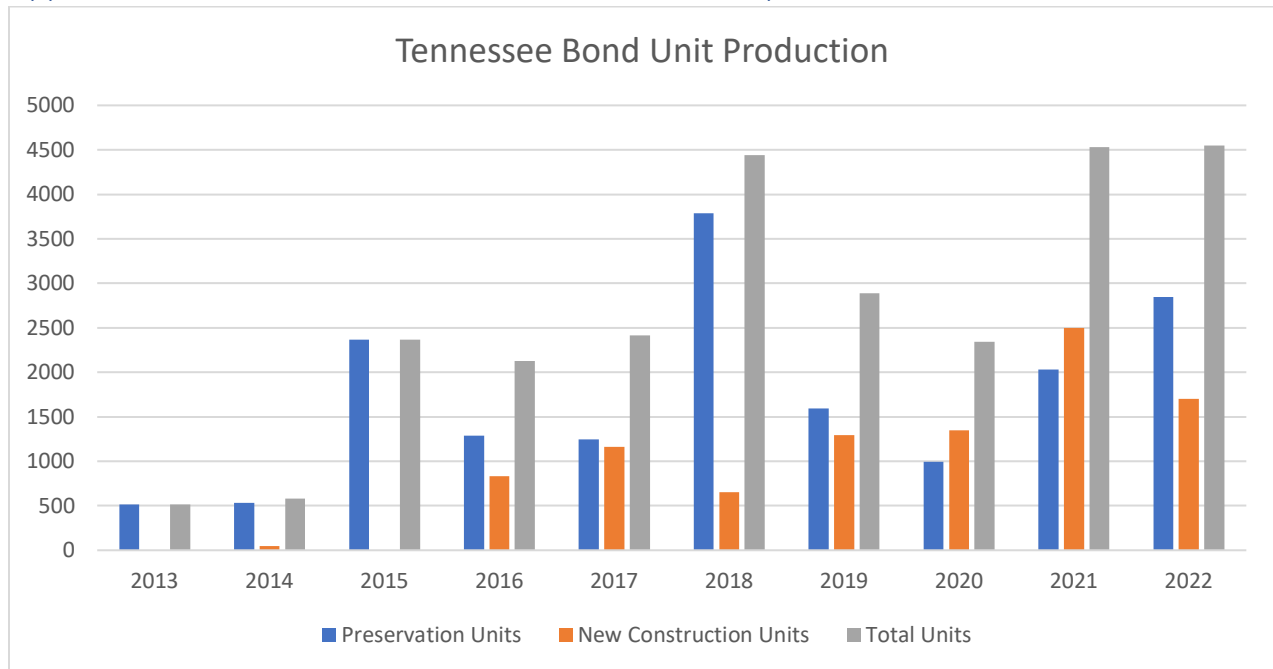
### About Lincoln Avenue Capital

Lincoln Avenue Capital is one of the nation’s fastest-growing developers, investors, and operators of affordable and workforce housing, providing high-quality, sustainable homes for lower- and moderate-income individuals, seniors, and families nationwide. LAC is a mission-driven organization that serves residents across 22 states, with a portfolio of 119 properties comprising 22,000+ units.

cc: Sara Tichota



Appendix: Tennessee 4% Unit Production After Developer Fee Increase





# LOW-INCOME HOUSING TAX CREDITS



## Policy Objectives and QAP Change Matrix

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

# Policy Objectives and QAP Changes

The 2024/2025 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                    |  |   |                                      |   |
|--|---|--|---|--------------------------------------|---|
|  | Supporting Collaboration and Local Strategies | Incentives for Development Across Rural Nebraska | Supporting Positive Family Outcomes/ Opportunities/ Quality of Life | Quality Construction and Stewardship | Serving the Lowest Income Households for the Longest Period of Time (IRS) |
| <b>CRANE</b>   |   |  |   |                                      |   |
| Revised language for clarification   | X   |  | X   | X                                    | X   |
| Added additional language regarding readiness to proceed for a CRANE applicant.  | X   |  | X   | X                                    |   |
| CRANE developments are required to waive the right to Qualified Contract.  | X   |  | X   | X                                    | X   |
| <p><i>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. Waiver of the Right to Qualified Contract will ensure the development will continue to house underserved population for a longer period of time and at affordable rents.</i></p> |   |  |   |                                      |   |

| Summary of Change  | Policy Objective Supported                    |  |   |                                      |   |
|--|---|--|---|--------------------------------------|---|
|  | Supporting Collaboration and Local Strategies | Incentives for Development Across Rural Nebraska | Supporting Positive Family Outcomes/ Opportunities/ Quality of Life | Quality Construction and Stewardship | Serving the Lowest Income Households for the Longest Period of Time (IRS) |
| <b>Tenant and Family Opportunities</b>   |   |  |   |                                      |   |
| Design Standards: Included points option for providing accessible units to support the goals of the State of Nebraska's Olmstead Plan.   | X   | X  | X   | X                                    |   |
| Additional amenity options included.   |   |  | X   | X                                    |   |
| Added additional low-cost, high-impact supportive service options that emphasize collaboration.  | X   |  | X   |                                      |   |
| <p><i>Why: Additions to the application design standards illustrates NIFA's support of the State of Nebraska's Olmstead Plan. Low-cost, high-impact additions to amenities and supportive service categories will provide opportunities and support for families and individuals through services such as income tax preparation service and referral services provided through Nebraska.findhelp.com that will be provided at no cost to the tenants.</i></p> |   |  |   |                                      |   |

| Summary of Change   | Policy Objective Supported   |  |  |   |   |
|---|--|--|--|---|---|
|   | <b>Collaborative Partnerships for Strong Neighborhoods &amp; Communities</b> | <b>Balanced Approach Between Quality and Creation of Units</b> | <b>Access to Opportunity for Tenants, Supporting Quality of Life &amp; Dignity</b> | <b>Targeting Special or Underserved Populations</b> | <b>Transparent &amp; Streamlined Processes and Procedures using Best Practices and Current Data</b> |
| <b>Coordination with Local Efforts and Preservation of Housing</b>  |  |  |  |   |   |
| Preservation: Added “conversion of public housing under a Choice Neighborhood Grant” as an eligible category.   | X  |  | X  | X   | X   |
| Developments wishing to resyndicate are eligible to apply after year 15 in the Tax-Exempt Bond/4% cycles only.  | X  | X  |  | X   | X   |
| Adjusted point structure for Leverage and Collaboration. Clarified eligible and non-eligible resources.   | X  |  |  | X   | X   |
| <p><i>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, especially incentivizing developments in rural Nebraska. Changes to Preservation options and re-syndication requirements will assist in providing an improved balance between the preservation of existing units and construction of new units.</i></p> |  |  |  |   |   |



| 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 |
| <b>Stewardship of the Resource, Integrity of the Program, and Improve Customer Experience</b>                                     |   |   |   |  |  |
| Efficient Housing Production: Revised calculations to include total development costs (excluding land, reserves, and NIFA fees).  |   |   |   | X  |  |
| Restructure of 4% LIHTC\AHTC\Bond application removing the required pre-application.  | X   |   |   |  | X  |
| Efficient Housing Production: Updated method of calculating Efficient Housing Production for rehabilitation applicants.           | X   | X   |   | X  | X  |
| Prior performance added as a tiebreaker consideration.  |   |   |   | X  |  |
| Right of First Refusal: Non-profit entity must be given a minimum one-year to waive right of first refusal.                       | X   |   |   | X  | X  |
| Changes to Application review and structure including a Threshold Deficiency Correction Period.                                   | X   | X   | X   | X  | X  |
| Application timelines moved forward in order to allow owners to additional time to close and fully utilize a construction season. | X   | X   | X   | X  | X  |

| Summary of Change   | Policy Objective Supported                    |  |   |                                      |   |
|---|---|--|---|--------------------------------------|---|
|   | Supporting Collaboration and Local Strategies | Incentives for Development Across Rural Nebraska | Supporting Positive Family Outcomes/ Opportunities/ Quality of Life | Quality Construction and Stewardship | Serving the Lowest Income Households for the Longest Period of Time (IRS) |
| Site Control: Added requirement for appraisals when the seller(s) are an interested party. Added requirement of an attestation that no other agreements between the parties exist.  |   |  |   | X                                    |   |
| HOME and National Housing Trust Funds added as a resource in the Tax-Exempt Bond/4% LIHTC cycles.   | X   | X  | X   | X                                    | X   |
| Added guidance to the QAP regarding requesting additional Private Activity Volume Cap.  | X   | X  | X   | X                                    | X   |
| NEDED edited areas of the QAP and joint application related to their HOME, National Housing Trust Fund and Community Development Block Grant – Disaster Recovery program information.   | X   | X  | X   | X                                    | X   |
| General editing and formatting changes in QAP, Applications, and forms for clarity, ease of use and to reduce duplication of data entry.  |   |  |   |                                      | X   |
| <i>Why: NIFA's Mission, Vision and Values is reflected in changes made to the QAP and applications. NIFA staff is committed to improving processes, increasing transparency and continued stewardship through solidifying NIFA policies in the QAP and application.</i> |   |  |   |                                      |   |



# LOW-INCOME HOUSING TAX CREDITS



## 2024-2025 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 |

| <b>NIFA LIHTC PROPOSED SCORING<br/>ORGANIZED BY POLICY OBJECTIVES - 2024/2025 QAP</b>                       |               |
|---|---------------|
|   | <b>Points</b> |
| <b>SUPPORTING COLLABORATION &amp; LOCAL STRATEGIES</b>  |               |
| 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             |
| <b>Total</b>  | <b>18</b>     |
| <b>INCENTIVIZE DEVELOPMENT ACROSS RURAL NEBRASKA</b>  |               |
| Non-metro Small Communities   | 3             |
| Development of Housing in Greater Nebraska  | 2             |
| Community Housing Initiatives   | 1             |
| <b>Total</b>  | <b>6</b>      |
| <b>SUPPORTING POSITIVE FAMILY OUTCOMES/OPPORTUNITIES/QUALITY OF LIFE</b>                                    |               |
| 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             |
| <b>Total</b>  | <b>26</b>     |
| <b>QUALITY CONSTRUCTION &amp; STEWARDSHIP</b>   |               |
| Developer/Owner Financial Support   | 2             |
| Track Record of Applicant and/or Owner Qs   | 1             |
| Management Qualifications and Experience  | 4             |
| Design Standards  | 7             |
| Green Standards   | 6             |
| Efficient Housing Production  | 6             |
| <b>Total</b>  | <b>26</b>     |
| <b>SERVING THE LOWEST INCOME HOUSEHOLDS FOR THE LONGEST PERIOD OF TIME<br/>(IRS Requirement)</b>            |               |
| Compliance & Extended Use Period  | 2             |
| Waiver of Qualified Contract  | 3             |
| Right of First Refusal  | 2             |
| Targeting Gross Rents to Lower Levels   | 5             |
| <b>Total</b>  | <b>12</b>     |



**The 2024/2025 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 2024/2025 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 2024/2025 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 2024/2025 Housing Credit Allocation Plan for 4% LIHTC.

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

In both 2024 and 2025, NIFA expects to have approximately \$5,400,000 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 \$2.75 (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 2024 and 2025 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 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 2024/2025 QAP.

The maximum annual amount of AHTC that will be awarded in both 2024 and 2025 to owners of qualified developments pursuant to the 2024/2025 Housing Credit Allocation Plan for 9% LIHTC and AHTC shall not exceed the maximum annual amount of 9% LIHTC awarded by NIFA for 2024 and 2025 (Competitive LIHTC and CRANE combined), provided that such annual amount of AHTC is only available for six (6) 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 2024/2025 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 2024/2025 Housing Credit Allocation Plan for 9% LIHTC and AHTC.

## **1.2 DEVELOPMENT OF QUALIFIED ALLOCATION PLAN.**

The 2024/2025 QAP is adopted by NIFA pursuant to a public process established by NIFA and involves input from a number of parties. The 2024/2025 QAP consists of the following:

- a. this 2024/2025 Housing Credit Allocation Plan for 9% LIHTC and AHTC
- b. the 2024/2025 Housing Credit Allocation Plan for 4% LIHTC and AHTC
- c. the 2024/2025 9% NIFA/NDED Application
- d. the 2024/2025 4%/Bond Pre-Application
- e. 2024/2025 4%/Bond Application
- f. the 2024/2025 NIFA/NDED Exhibit Examples
- g. the 2024/2025 LIHTC Forms and Documents
- h. the 2024/2025 CRANE Guidelines and Application
- i. the 2024 Carryover Allocation Procedures Manual
- j. the 2024 10% Test Certification
- k. the 2024 Cost Certification Procedures Manual
- l. the 2024/2025 Land Use Restriction Agreement (LURA)
- m. the 2024/2025 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)
- n. the 2025 Carryover Allocation Procedures Manual
- o. the 2025 10% Test Certification
- p. the 2025 Cost Certification Procedures Manual

A public hearing on the proposed 2024/2025 QAP was held in Lincoln, Nebraska. All comments received by NIFA were taken into consideration in developing and drafting the 2024/2025 QAP.

The 2024/2025 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 2024/2025 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 2024/2025 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 2024/2025 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 2024/2025 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](http://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 2024/2025 Housing Credit Allocation Plan for 4% LIHTC.)

Appendix A contains all current fees 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 |                         |                                 |
|-----------------------------------|-------------------------|---------------------------------|
| LIHTC Full Application            | AHTC Full Application   | Threshold Deficiency Correction |
| CRANE                             | Conditional Reservation | Extension                       |
| Allocation/Cost Certification     | Late                    | Document Change                 |
| Additional Tax Credit Request     | Transfer/Assumption     | Change to LURA                  |
| 8609 & 8609N Correction           |                         |                                 |

| 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. SET-ASIDE PRIORITIES.**

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 Application Round deadline). 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](http://www.NIFA.org).

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

| <b>2024</b>                      | <b>Application Deadlines<br/>(no later than 5:00 p.m. CST)</b>         | <b>Competitive LIHTC Reservations Issued</b> | <b>Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both Competitive and CRANE (except CDBG-DR) cycles)</b>  |
|----------------------------------|--|--|--|
| Full Application:                | <b>August 1, 2023</b>  |  | HOME and HTF: Please refer to the 2023 Annual Action Plans:<br><a href="https://opportunity.nebraska.gov/pr ograms/plans-reports/">https://opportunity.nebraska.gov/pr ograms/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.state.nv.us/development/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback:   | <b>August 31, 2023</b>   |  |  |
| Threshold Deficiency Correction: | <b>September 15, 2023</b>  | <b>October 20, 2023</b><br>(tentative)       |  |
| <b>Additional Round*</b>         |  |  |  |
| <b>2025</b>                      | <b>Application/Correct Deadlines<br/>(no later than 5:00 p.m. CST)</b> | <b>Competitive LIHTC Reservations Issued</b> | <b>Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both Competitive and CRANE (except CDBG-DR) cycles)</b>  |
| Full Application:                | <b>May 9, 2024</b>   |  | HOME and HTF: Please refer to the 2024 Annual Action Plans:<br><a href="https://opportunity.nebraska.gov/pr ograms/plans-reports/">https://opportunity.nebraska.gov/pr ograms/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.state.nv.us/development/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback    | <b>June 24, 2024</b>   |  |  |
| Threshold Deficiency Correction: | <b>July 9, 2024</b>  | <b>August 16, 2024</b>                       |  |
| <b>Additional Round*</b>         |  |  |  |

\*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 proposed 2023 NAHTF QAP identifies that the Nebraska Department of Economic Development (NDED) intends to make available up to \$750,000 in discretionary funds in conjunction with the 2024 joint application with the Nebraska Investment Finance Authority 9% Low-Income Housing Tax Credit program, with a maximum project award of \$750,000. 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 and subject to available spending authority.

## **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.

LIHTC Applications must be submitted for review in full by the Full Application deadline in order to be considered for an allocation of 9% LIHTC and AHTC.

## **5. COMPETITIVE LIHTC REVIEW AND ALLOCATION PROCESS.**

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

### **5.1 APPLICATION SUBMITTAL PROCESS.**

To be considered for a Conditional 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. A LIHTC Application must be submitted in full by the Full Application deadline 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 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) 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 and will allow for a Threshold Deficiency Correction period as set forth in Section 4.1.



### **5.3 EVALUATION OF THRESHOLD DEFICIENCY CORRECTION.**

- (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 and submitted by the Threshold Deficiency Correction 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. In the case of a tie, NIFA will follow the outlined Final Ranking in the 9% NIFA/NDED Application.
- (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. EXTENSIONS AND DEVELOPMENT CHANGES**

### **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 issuance of IRS Form(s) 8609, 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. A fee will not be charged for changes to the following: amenities and supportive services, unless the change would result in a change to the scoring or require the development to be re-underwritten.

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 or 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 2024 and 2025 NIFA will set-aside up to 33% (**approximately \$1.7 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, neighborhoods, and non profits 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"). Such proposals shall demonstrate 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.

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 (see Appendix A) 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, Applicants must utilize the three-tier application process as outlined in Section 7 above.

### **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 9% LIHTC and 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) and waive the right to a qualified contract.

### **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 9% 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.
- (c) All CRANE developments must be ready to proceed upon receiving a Conditional Reservation of LIHTC and AHTC.
- (d) NIFA will not consider any additional LIHTC requests for any CRANE developments within six (6) months of receiving a Conditional Reservation of LIHTC and AHTC.

## **9. MAXIMUM ALLOCATION AND FEE LIMITS**

### **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, general partner, managing member, or an affiliate thereof with an "identity-of-interest" 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 LIHTC process) that have not been reserved, may be transferred either to the Competitive LIHTC 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 a current 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.

Any owner of a development that considers Average Income (AI) as 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. Any development electing AI must comply with the compliance and monitoring policies outlined in the Affordable Housing Tax Credit Program Compliance Manual.

#### **(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. Developments that have received a prior allocation of LIHTCs are not eligible to elect AI.

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 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 Annual Cycle 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 dated within the last year. 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 5<sup>th</sup> 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. REVOCAATION.**

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, 2024 for 2024 Conditional Reservations or December 31, 2025 for 2025 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, 2024 for 2024 Conditional Reservations and October 31, 2025 for 2025 Conditional Reservations. The 10% Test certification must be submitted to NIFA by no later than June 30, 2025 for a 2024 Conditional Reservations and June 30, 2026 for 2025 Conditional Reservations. If the Carryover Allocation Documentation and 10% Test certification are not submitted to NIFA by the specified deadlines, a 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.**

The 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](http://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 2024/2025 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 2024/2025 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 Affordable Housing Tax Credit Program Compliance Manual located at [www.nifa.org](http://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](http://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 31<sup>st</sup> 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](http://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](http://www.NIFA.org)

## Appendix A - Fee Schedule

As stated in Section 2 – 9% 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  |
|------------------------------------|--|--|
| <b>Application Fees*</b>           |  |  |
| 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  |
| Threshold Deficiency Correction    | Due at submittal of Threshold Deficiency Correction                  | \$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 |
| <b>Conditional Reservation</b>     |  |  |
|                                    | Due with submittal of the Conditional Reservation items - Section 12 | The greater of 2% of the annual LIHTC amount or \$500  |
| <b>Cost Certification</b>          |  |  |
| LIHTC                              | Due within 60 days of PIS  | 2% of the annual amount of LIHTC allocated to the development- See Cost Certification Procedures Manual                |
| AHTC                               | Due within 60 days of PIS  | \$500  |
| <b>Other Fees</b>                  |  |  |
| Application / Documentation Change | Due upon submittal of request  | \$1,500 plus any attorney fees   |
| Additional Tax Credit Request      | Due upon submittal of request  | \$2,000  |
| Transfer/Assumption                | Due upon submittal of request  | \$1,500 plus any attorney fees   |
| Extension                          | Paid concurrently with the extension request                         | \$1,000  |
| Change to LURA                     | Due upon change request  | \$1,000  |
| 8609 & 8609N Correction            | Due upon correction request  | \$500 for forms (up to 25) amended<br>\$1,000 for forms (above 25) amended   |
| <b>Late Fees</b>                   |  |  |
| 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                        |

| Fee Type               | Timeline                                    | Description  |
|------------------------|---|--|
| 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  |
| <b>Compliance Fees</b> |   |  |
| LIHTC                  | Annually on January 31st or Upfront         | <p>Annual - 2% of annual LIHTC allocated or minimum of \$500 each year of the 15-year Compliance Period</p> <p>Upfront - 1.55% 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)</p> <p><b>Example: Annual LIHTC Amount X 1.55% X 15 years= Upfront fee for first 15 years</b></p> |
| 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               | <p>.5% of the annual LIHTC allocated for each year during the 15-year compliance period</p> <p><b>Example: Annual LIHTC Amount X .005 X 15 years= AI Election Fee</b></p>  |
| 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  |
| 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 any 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

The current form for the LIHTC Quarterly Progress Report can be found under the 2024/2025 Qualified Allocation Plan section on the [Allocation Forms & Documents](#) website.



## 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.
- The deferred developer fee shall not be less than the original amount reflected in the Application submittal.
- Applications that have received a Conditional Reservation which was limited LIHTC/AHTC due to efficiency measures, are not eligible to receive additional LIHTC/AHTC.

### 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.



# LOW-INCOME HOUSING TAX CREDITS



## 2024-2025 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 |

| <b>NIFA LIHTC PROPOSED SCORING<br/>ORGANIZED BY POLICY OBJECTIVES - 2024/2025 QAP</b>                       |               |
|---|---------------|
|   | <b>Points</b> |
| <b>SUPPORTING COLLABORATION &amp; LOCAL STRATEGIES</b>  |               |
| Located in a Qualified Census Tract/Difficult Development Area  | <b>3</b>      |
| Preservation of Developments  | <b>3</b>      |
| Developments located in DED Community/Entitlement Community/Leadership Community/CDBG Entitlement Community | <b>2</b>      |
| Public Housing Authority (PHA) Agreement  | <b>1</b>      |
| Project-based Rental Assistance   | <b>2</b>      |
| Leverage and Collaboration  | <b>4</b>      |
| <b>Total</b>  | <b>15</b>     |
| <b>INCENTIVIZE DEVELOPMENT ACROSS RURAL NEBRASKA</b>  |               |
| Development of Housing in Greater Nebraska  | <b>2</b>      |
| <b>Total</b>  | <b>2</b>      |
| <b>SUPPORTING POSITIVE FAMILY OUTCOMES/OPPORTUNITIES/QUALITY OF LIFE</b>                                    |               |
| Amenities   | <b>8</b>      |
| Supportive Services   | <b>4</b>      |
| Eventual Tenant Homeownership   | <b>2</b>      |
| Metro Areas of High Opportunity   | <b>4</b>      |
| Development of Senior Housing   | <b>2</b>      |
| Development of Family Housing   | <b>1</b>      |
| Mixed Income Developments   | <b>3</b>      |
| <b>Total</b>  | <b>24</b>     |
| <b>QUALITY CONSTRUCTION &amp; STEWARDSHIP</b>   |               |
| Developer/Owner Financial Support   | <b>2</b>      |
| Track Record of Applicant and/or Owner  | <b>1</b>      |
| Management Qualifications and Experience  | <b>4</b>      |
| Design Standards  | <b>7</b>      |
| Green Standards   | <b>6</b>      |
| Efficient Housing Production  | <b>6</b>      |
| <b>Total</b>  | <b>26</b>     |
| <b>SERVING THE LOWEST INCOME HOUSEHOLDS FOR THE LONGEST PERIOD OF TIME (IRS Requirement)</b>                |               |
| Compliance & Extended Use Period  | <b>2</b>      |
| Waiver of Qualified Contract  | <b>3</b>      |
| Right of First Refusal  | <b>2</b>      |
| Targeting Gross Rents to Lower Levels   | <b>5</b>      |
| <b>Total</b>  | <b>12</b>     |

The 2024/2025 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 2024/2025 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 2024 and 2025 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 available.

#### **Allocations of Private Activity Bond Cap in 2024 and 2025**

##### **• Requests for Private Activity Bond Cap for Both 4% LIHTC and AHTC**

For both 2024 and 2025, 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 2024 and 2025, 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 \$26 million for 2024 and shall be increased annually, at the discretion of the Executive Director, with consideration to overall Private Activity Bond cap, 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 2024/2025 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 2024/2025 QAP. The 2024/2025 QAP consists of the following:

- a. this 2024/2025 Housing Credit Allocation Plan for 9% LIHTC and AHTC
- b. the 2024/2025 Housing Credit Allocation Plan for 4% LIHTC and AHTC
- c. the 2024/2025 9% NIFA/DED Application
- d. the 2024/2025 4%/Bond Application
- e. the 2024/2025 NIFA/DED Exhibit Examples
- f. the 2024/2025 LIHTC Forms and Documents
- g. the 2024/2025 CRANE Guidelines and Application
- h. the 2024 Carryover Allocation Procedures Manual
- i. the 2024 10% Test Certification
- j. the 2024 Cost Certification Procedures Manual
- k. the 2024/2025 Land Use Restriction Agreement (LURA)
- l. the 2024/2025 LIHTC CROWN Land Use Restriction Agreement (CROWN LURA)
- m. the 2025 Carryover Allocation Procedures Manual
- n. the 2025 10% Test Certification
- o. the 2025 Cost Certification Procedures Manual

A public hearing on the proposed 2024/2025 QAP was held in-person in Lincoln, Nebraska, with virtual/telephonic attendance available. All comments received by NIFA were taken into consideration in developing and drafting the 2024/2025 QAP, including the 4% LIHTC/AHTC Allocation Plan.

The 2024/2025 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 2024/2025 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 2024/2025 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 2024/2025 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 4%/Bond Application, with correctly attached Exhibits and specified application fee, will not be reviewed or scored by NIFA. The 4%/Bond Application is available on NIFA’s web site at [www.NIFA.org](http://www.NIFA.org).

## **Requests for Private Activity Bond Cap with 4% LIHTC and AHTC – Allocation Cycle\***

| <b>4% LIHTC/Bond with AHTC Allocation Cycles**</b> | <b>Application Deadlines (no later than 5:00 p.m. CST)</b> | <b><u>Conditional Allocation</u></b> | <b>Private Activity Bond Cap to be Reserved and Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both cycles)</b>  |
|--|--|--------------------------------------|--|
| <b>2024 AHTC Cycle</b><br><br>Full Application:    | <b>November 30, 2023</b>                                   |                                      | <b>Up to Approximately \$35 Million</b><br><br>HOME and HTF: Please refer to the 2023 Annual Action Plans: <a href="https://opportunity.nebraska.gov/programs/plans-reports/">https://opportunity.nebraska.gov/programs/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.stateofnebraska.gov/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback:                     | <b>December 29, 2023</b>                                   |                                      |  |
| Threshold Deficiency Correction:                   | <b>January 16, 2024</b>                                    | <b>February 16, 2024 (tentative)</b> |  |
| <b>2025 AHTC Cycle</b><br><br>Full Application:    | <b>November 28, 2024</b>                                   |                                      | <b>Up to Approximately \$35 Million</b><br><br>HOME and HTF: Please refer to the 2024 Annual Action Plans: <a href="https://opportunity.nebraska.gov/programs/plans-reports/">https://opportunity.nebraska.gov/programs/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.stateofnebraska.gov/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback:                     | <b>January 3, 2025</b>                                     |                                      |  |
| Threshold Deficiency Correction:                   | <b>January 17, 2025</b>                                    | <b>February 21, 2025 (tentative)</b> |  |
| 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 2024/2025 LIHTC/AHTC Program goals and objectives.

\*\* Approximate funds available through joint application process with Nebraska Department of Economic Development:

HOME/HTF: please refer to the Annual Action Plan <https://opportunity.nebraska.gov/programs/plans-reports/>

CDBG-DR based on availability: please refer to the State of Nebraska DR-4420 Action Plan available here: [StateofNebraskaDR-4420ActionPlan](https://www.stateofnebraska.gov/4420ActionPlan).

## Requests for Private Activity Bond Cap for 4% LIHTC Only – Allocation Cycles\*

| <b>4% LIHTC/Bond Allocation Cycles**</b>   | <b><u>Application Deadlines</u><br/>(no later than 5:00 p.m. CST)</b> | <b><u>Conditional Allocation</u></b> | <b>Private Activity Bond Cap to be Reserved and Approximate funds available through joint application process with Nebraska Department of Economic Development (available in both cycles)</b>  |
|--|---|--------------------------------------|--|
| <b>2024 Cycle</b><br><br>Full Application: | <b>November 30, 2023</b>  |                                      | <b>Up to Approximately \$35 Million</b><br><br>HOME and HTF: Please refer to the 2023 Annual Action Plans: <a href="https://opportunity.nebraska.gov/programs/plans-reports/">https://opportunity.nebraska.gov/programs/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.stateofnebraska.gov/development/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback:             | <b>December 29, 2023</b>  |                                      |  |
| Threshold Deficiency Correction:           | <b>January 16, 2024</b>   | <b>February 16, 2024 (tentative)</b> |  |
| <b>2025 Cycle</b><br><br>Full Application: | <b>November 28, 2024</b>  |                                      | <b>Up to Approximately \$35 Million</b><br><br>HOME and HTF: Please refer to the 2023 Annual Action Plans: <a href="https://opportunity.nebraska.gov/programs/plans-reports/">https://opportunity.nebraska.gov/programs/plans-reports/</a><br><br>For CDBG-DR: Please refer to the <a href="https://www.stateofnebraska.gov/development/4420ActionPlan">StateofNebraskaDR-4420ActionPlan</a> |
| Threshold Deficiency Feedback:             | <b>January 3, 2025</b>  |                                      |  |
| Threshold Deficiency Correction:           | <b>January 17, 2025</b>   | <b>February 21, 2025 (tentative)</b> |  |

\*NIFA reserves the right to hold additional Allocation Cycles or make changes to the above Allocation Cycles as it deems necessary to meet 2024/2025 LIHTC/AHTC Program goals and objectives.

\*\* Approximate funds available through joint application process with Nebraska Department of Economic Development:

HOME/HTF: please refer to the Annual Action Plan <https://opportunity.nebraska.gov/programs/plans-reports/>

CDBG-DR based on availability: please refer to the State of Nebraska DR-4420 Action Plan available here: [StateofNebraskaDR-4420ActionPlan](https://www.stateofnebraska.gov/development/4420ActionPlan).

#### **1.4 INELIGIBLE APPLICANTS.**

A LIHTC/AHTC 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 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                           |   |
|-------------------------------------|---|
| *NIFA Issuance Bond Application Fee | Private Activity Bond Cap Application   |
| Reservation Deposit                 | *Bond Issuance Fee                      |
| *Bond Annual Issuer Compliance      | *Carryforward Request                   |
| *Assumption Transfer                | *Bond Modification/Documentation Change |
| *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 |                               |                                 |
|-----------------------------------|-------------------------------|---------------------------------|
| LIHTC Full                        | AHTC Full                     | Threshold Deficiency Correction |
| 42(m) Letter                      | Cost Certification-LIHTC      | Cost Certification-AHTC         |
| Application/Documentation Change  | Additional Tax Credit Request | Transfer/Assumption             |
| Extension                         | Change to LURA                | 8609 & 8609N Correction         |
| Late                              |                               |                                 |

| 4% LIHTC and AHTC Compliance Fees |                      |                    |
|-----------------------------------|----------------------|--------------------|
| LIHTC                             | AHTC                 | Average Income     |
| Extended Use Period               | Late Payment Penalty | 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 LIHTC/AHTC Application, 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, LIHTC/AHTC APPLICATION AND PRIVATE ACTIVITY BOND CAP.**

### **3.1 SCORING OF LIHTC/AHTC APPLICATION.**

FULL 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:** LIHTC/AHTC Applications will be scored SOLELY on information provided in the online LIHTC/AHTC Application submitted for the applicable Allocation Cycle deadlines. Any LIHTC/AHTC Application submitted for Full Review and Threshold Deficiency Correction Period (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 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 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 FULL LIHTC APPLICATION AND THRESHOLD DEFICIENCY CORRECTION.**

- (a) Each 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 online 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) NIFA will communicate with development owners that do not meet the threshold criteria, generally outlining deficiencies in the threshold exhibits with respect to the threshold criteria and will allow for a Threshold Deficiency Correction Period as set forth in Section 1.3.
- (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 of 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) 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.
- (f) 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.
- (g) 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

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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 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 Full 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. 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.**

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. LIHTC SECTION 42(m) LETTER.**

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 5<sup>th</sup> 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. EXTENSIONS AND DEVELOPMENT CHANGES**

### **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.

Extensions related to the 42(m) letter will not be granted past the expiration of the set forth in the reservation letter for Private Activity Bond Cap.

**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 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 Bond 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 LIHTC/AHTC Application or the Private Activity Cap Application).**

### **5.4 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.

## **5.5 ADDITIONAL PRIVATE ACTIVITY VOLUME CAP REQUEST.**

NIFA will review and consider request for additional Private Activity Volume Cap for applicants that have received a Conditional Allocation. 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 Private Activity Volume Cap. Amounts may be adjusted by the Executive Director in an amount not to exceed 10%, based upon receipt and review of the final information necessary to complete the analysis and subsidy layering reviews.

## **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 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 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 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 2024/2025 QAP. AHTC will be awarded based on Nebraska law and 2024/2025 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 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 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 full 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.

Any owner of a development that considers as 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. Any development electing AI must comply with the compliance and monitoring policies outlined in the Affordable Housing Tax Credit Program Compliance Manual.

### **(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. Developments that have received a prior allocation of LIHTCs are not eligible to elect AI.

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/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 2024/2025 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](http://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 31<sup>st</sup> 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](http://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 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](http://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](http://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  |
|---|---|--|
| <b>Bond Fees</b>  |   |  |
| NIFA Issuance/Bond Application<br><i>(Applicable only if NIFA is requested to consider issuing the bonds)</i> | Due at submittal of Full Application  | 1/16 of 1% of the Bond amount, tax-exempt and taxable, (0.000625); with a minimum of \$1,000. <i>This fee will be applied to the "Bond Issuance Fee" if the bond issue closes.</i>   |
| 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 | \$500  |
| 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)<br><b><i>Additional Information regarding this deposit can be found in the 2024/2025 Housing Credit Allocation Plan for 4% LIHTC and AHTC.</i></b> |
| <b>The following Bond Fees are applicable only if NIFA is the Issuer of the Bonds.</b>                        |   |  |
| 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  | \$5,000  |
| Carryforward Request  | Due at Carryforward request   | \$10,000 (non-refundable)  |

| Fee Type                                  | Timeline   | Description  |
|---|--|--|
| 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 / Documentation Change  | 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)   |
| <b>4% LIHTC and AHTC Application Fees</b> |  |  |
| 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  |
| Threshold Deficiency Correction           | Due at submittal of Threshold of Deficiency Correction           | \$500  |
| <b>42(m) Letter</b>                       |  |  |
|   | Due with submittal of the 42(m) Letter Documentation – Section 4 | The greater of 2% of the annual LIHTC amount or \$500  |
| <b>Cost Certification</b>                 |  |  |
| LIHTC                                     | Due within 60 days of PIS  | 2% of the annual amount of LIHTC allocated to the development- See Cost Certification Procedures Manual  |
| AHTC                                      | Due within 60 days of PIS  | \$500  |
| <b>Other Fees</b>                         |  |  |
| Application/Documentation Change          | Due upon submittal of request                                    | \$1,500 plus any attorney fees   |
| Additional Tax Credit Request             | Due upon submittal of request                                    | \$2,000  |
| Transfer/Assumption                       | Due upon submittal of request                                    | 1/8 <sup>th</sup> of 1.0% (0.00125%) of the original principal amount of the bonds; plus NIFA attorney fees  |
| Extension                                 | Paid concurrently with the extension request                     | \$1,000  |
| Change to LURA                            | Due upon change  | \$1,000  |
| 8609 & 8609N Correction                   | Due upon correction  | \$500 for forms (up to 25) amended<br>\$1,000 for forms (above 25) amended   |

| Fee Type               | Timeline  | Description  |
|------------------------|---|--|
| <b>Late Fees</b>       |   |  |
| 42(m) Letter           | Assessed at 5:01 pm on due date – Section 4     | 1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period  |
| Cost Certification     | Assessed at 5:01 pm on due date – Section 7     | 1% of the annual LIHTC amount; an additional .5% will be assessed each subsequent 30-day period  |
| <b>Compliance Fees</b> |   |  |
| LIHTC                  | Annually on January 31 <sup>st</sup> or Upfront | <p>Annual – 2% of annual LIHTC allocated or minimum of \$500 each year of the 15-year Compliance Period</p> <p>Upfront – 1.55% 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)</p> <p><b>Example: Annual LIHTC Amount X 1.55% X 15 years= Upfront fee for first 15 years</b></p> |
| AHTC                   | Annually on January 31 <sup>st</sup> or Upfront | \$250 each year for 6-year Credit Period (Can be paid up front without a discount)   |
| Average Income         | Cost Certification Submission                   | <p>.5% of the annual LIHTC allocated for each year during the 15-year compliance period</p> <p><b>Example: Annual LIHTC Amount X .005 X 15 years= AI Election Fee</b></p>  |
| 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  |
| 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   |
| 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

The current form for the LIHTC Quarterly Progress Report can be found under the 2024/2025 Qualified Allocation Plan section on the [Allocation Forms & Documents](#) website.



# LOW-INCOME HOUSING TAX CREDITS



## 2024/2025 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. **INSTRUCTIONS:**

The undersigned applicant hereby makes an 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 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 as described in the applicable NIFA Housing Credit Allocation Plan (see Appendix A thereto).
- (c) An 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
- (d) Applications will be scored SOLELY on information provided in the online funding Application submitted for the applicable Allocation Round deadline. Applications must be submitted for review in full by the 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 the 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](http://www.nifa.org)

HOME Program:  
Mechele Grimes  
Nebraska Department of Economic  
Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Telephone: (402) 309-4536  
Email: [mechele.grimes@nebraska.gov](mailto:mechele.grimes@nebraska.gov)  
Web Address: [opportunity.nebraska.gov/](http://opportunity.nebraska.gov/)

CDBG-DR Program:  
Christina Zink  
Nebraska Department of Economic  
Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Telephone: (402) 326-4091  
Email: [christina.zink@nebraska.gov](mailto:christina.zink@nebraska.gov)  
Web Address:  
<https://opportunity.nebraska.gov/programs/housing/>

HTF Program:  
Cassandra Stark  
Nebraska Department of Economic Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Telephone: (531) 207-2890  
Email: [cassandra.stark@nebraska.gov](mailto:cassandra.stark@nebraska.gov)  
Web Address: [opportunity.nebraska.gov/](http://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 2023 Annual Action Plan, and the 2024 Annual Action Plan when available, located at: <https://opportunity.nebraska.gov/programs/plans-reports/>. The CDBG-DR Action Plan is located at: [StateofNebraskaDR-4420ActionPlan](#).
3. 2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

CDBG-DR: To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

4. Applicant and partners have addressed and cleared all compliance problems from past awards and responses have been accepted by NDED.
5. 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.).
6. 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.

7. 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](http://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, incomplete, or altered after third-party signature, 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 (IRS) and Nebraska Department of Revenue.

I (We) hereby make an 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 NIFA and NDED will share any and all information regarding all jointly funded developments through the respective program affordability period.

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](http://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 Conditional 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](http://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 12 (entitled “Statement of Assurances and Certification for Local Governments”); and the certification found at Exhibit 14 (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](http://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 identify 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: \_\_\_\_\_

Unique Entity Identification (UEI) 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/programs/community/cdbg-dr/>

*Please complete and upload Exhibits 10-18 as applicable.*

Type of Assistance:  HOME  HTF  CDBG-DR

\*2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

\*\*2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

\*\*\*CDBG-DR: To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

**HUD-DEFINED MOST IMPACTED AND DISTRESSED (MID) AREA (DR-4420) <sup>DR:</sup>**

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/programs/business/opportunity-zones/> .

County: \_\_\_\_\_ Census Tract Number: \_\_\_\_\_

**LIHTC/AHTC APPLICANT INFORMATION:**

Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_ Federal Tax I.D. Number: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip Code: \_\_\_\_\_ Email: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

**OWNERSHIP INFORMATION:**

Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip Code: \_\_\_\_\_ Email: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Has Ownership Entity been formed? Federal Tax ID Number: \_\_\_\_\_  
 Yes  No (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

Acquisition & Rehabilitation

Rehabilitation Only

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 80% of the AMI, as long as the average income/rent limit in the development is 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 or DDA 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 full 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(s) 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 the last ten (10) years.
5. Include identification of community partners, timelines, and goals.

**(1 point)**

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.

*Developments in a QCT or DDA 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 (indicating the page number(s) that pertains to the proposed development) as Exhibit 216.*

**QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS**

The Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42 are updated on an annual basis. The current list can be found:

<https://www.huduser.gov/portal/datasets/qct.html>

**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

**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                                     | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Air Conditioning                            | <input type="checkbox"/> Electric | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Lighting                                    | <input type="checkbox"/> Electric | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Cooking                                     | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Hot Water                                   | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Sewer                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Water                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Trash                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> 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 (1) year of the applicable full application 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. 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/programs/housing/home/>.*

**DEVELOPMENT INFORMATION:**

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: | _____ |

Syndicator Information:

|                           |       |               |       |                       |       |
|---------------------------|-------|---------------|-------|-----------------------|-------|
| 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: | _____ |

Construction Lender Information:

|         |       |               |       |                       |       |
|---------|-------|---------------|-------|-----------------------|-------|
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |

Permanent Lender Information:

|         |       |               |       |                       |       |
|---------|-------|---------------|-------|-----------------------|-------|
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |
| Lender: | _____ | Phone Number: | _____ | Identity of Interest: | _____ |

Other Financing Sources:

|       |       |               |       |                       |       |
|-------|-------|---------------|-------|-----------------------|-------|
| _____ | _____ | 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: The management company or agent may contact NIFA Allocation Staff by email 30 days prior to the applicable full application deadline to determine any outstanding uncorrected non-compliance items.*



### 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 full application deadline. Detailed descriptions of the Threshold Exhibits 100-116 are outlined in the next section.

| <b>Threshold Exhibits</b>            | <b>Description</b>   |
|--------------------------------------|--|
| <input type="checkbox"/> EXHIBIT 1   | Provide a one (1) page summary of the proposed development   |
| <input type="checkbox"/> EXHIBIT 2   | Details of any sale or transfer of LIHTC and AHTC (if applicable)  |
| <input type="checkbox"/> EXHIBIT 3   | Non-profit information ( <b>See Exhibit Examples</b> ) (if applicable)   |
| <input type="checkbox"/> EXHIBIT 4   | Relocation assistance plan (if applicable)   |
| <input type="checkbox"/> EXHIBIT 5   | Evidence of rental assistance (if applicable)  |
| <input type="checkbox"/> EXHIBIT 6   | Current utility allowance documentation  |
| <input type="checkbox"/> EXHIBIT 7   | Pictures of the site/structure/surroundings taken from each direction. ( <b>N, S, E, &amp; W</b> )   |
| <input type="checkbox"/> EXHIBIT 8   | Location Map (See Exhibit Examples for more information)   |
|                                      | <b>Exhibits 10-18 are required only if applying for HOME, CDBG-DR, or HTF</b>  |
| <input type="checkbox"/> EXHIBIT 10  | NDED Housing Site Review Form & Determination of Level of Review (within 75 days of application deadline) ( <b>HOME/HTF/CDBG-DR</b> )<br><a href="https://opportunity.nebraska.gov/programs/community/cdbg-dr/">https://opportunity.nebraska.gov/programs/community/cdbg-dr/</a> |
| <input type="checkbox"/> EXHIBIT 11  | Notice of Public Hearing or Public Meeting ( <b>HOME/CDBG-DR/HTF Funds</b> )   |
| <input type="checkbox"/> EXHIBIT 12  | Statement of Assurances and Certifications ( <b>HOME/CDBG-DR</b> )   |
| <input type="checkbox"/> EXHIBIT 13  | Residential Anti-Displacement and Relocation Assistance Plan ( <b>HOME/CDBG-DR/HTF Funds</b> )   |
| <input type="checkbox"/> EXHIBIT 14  | Applicant Certification for Non-Profits and Housing Authorities ( <b>HOME/CDBG-DR/HTF Funds</b> )  |
| <input type="checkbox"/> EXHIBIT 15  | Authorizing Resolution for Non-Profits and Housing Authorities ( <b>HOME/CDBG-DR/HTF Funds</b> )   |
| <input type="checkbox"/> EXHIBIT 16  | Certification of Rental Project Federal Assistance ( <b>HOME/CDBG-DR/HTF Funds</b> )   |
| <input type="checkbox"/> EXHIBIT 17  | System for Award Management (SAM) ( <b>HOME/CDBG-DR/HTF Funds</b> )  |
| <input type="checkbox"/> EXHIBIT 18  | HOME/HTF Cost Allocation Tool ( <b>HOME/HTF Funds</b> ) refer to: HOME HTF-Cost-Allocation-Tool May 2020 (003).xlsx  |
| <input type="checkbox"/> EXHIBIT 100 | Architect Certification, Required Design and Required Green Standards, & Architectural Plans   |
| <input type="checkbox"/> EXHIBIT 101 | Fair Housing Act and Section 504 - Design  |
| <input type="checkbox"/> EXHIBIT 102 | Affirmative Marketing Plan   |
| <input type="checkbox"/> EXHIBIT 103 | Site Control   |
| <input type="checkbox"/> EXHIBIT 104 | Intentionally omitted  |
| <input type="checkbox"/> EXHIBIT 105 | Zoning   |
| <input type="checkbox"/> EXHIBIT 106 | Utilities  |
| <input type="checkbox"/> EXHIBIT 107 | Subsidies/Public Funds   |
| <input type="checkbox"/> EXHIBIT 108 | Investor Interest/Commitment Form  |
| <input type="checkbox"/> EXHIBIT 109 | Construction/Interim Financing Form  |
| <input type="checkbox"/> EXHIBIT 110 | Permanent Financing Form   |
| <input type="checkbox"/> EXHIBIT 111 | Development Worksheets ( <b>See Exhibit Examples</b> )   |
| <input type="checkbox"/> EXHIBIT 112 | Market Study   |
| <input type="checkbox"/> EXHIBIT 113 | Pre-notification of Local Jurisdiction   |
| <input type="checkbox"/> EXHIBIT 114 | Capital Needs Assessment ( <b>Rehabilitations and Adaptive Reuse only</b> )  |
| <input type="checkbox"/> EXHIBIT 115 | Ten Year Rule/Appraisal ( <b>Acquisition credits only</b> )  |
| <input type="checkbox"/> EXHIBIT 116 | AHTC Investor Interest/Commitment Form   |

## D. THRESHOLD EXHIBITS 100-116

### **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 full application deadline) that certifies each requirement below:

1. Certify the information provided on the Unit Information tab in the Exhibit 111 has a true and correct breakdown of the following: number of units by unit type and size; total square footage including, residential living space square footage (for LIHTC, HOME/HTF/CDBG-DR and Market), garage, storage areas, or unfinished basement within the unit.
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. Please specify and certify the elected Green Building Property Standard. The CDBG-DR Eligibility Requirements are available at:**

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

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 or most recent code adopted by the State of Nebraska.
  - (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 (front, back, and sides, if sides are same, indicate on drawings) 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 (including the number of units for accessibility and sensory). All projects must meet applicable Section 504/UFAS requirements. New construction projects with five (5) or more total units and substantial rehabilitation projects with 15 or more total units must provide 5% of the project’s units (but not less than one [1]) for physically disabled occupants and another 2% of units (but not less than one [1]) designed to be accessible to those with visual or hearing impairments. See 24 CFR Part 8 and also Sec. 504 FAQs. Information regarding Section 504 accessibility requirements can be found at: [http://www.access.gpo.gov/nara/cfr/waisidx\\_98/24cfr8\\_98.html](http://www.access.gpo.gov/nara/cfr/waisidx_98/24cfr8_98.html)
  - (iii) Signed certification must be dated within one year of the applicable full application 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) Use the most recent form.
  - (ii) Sign and date the form.
  - (iii) Complete all applicable worksheets.
  - (iv) Signed form must be dated within one year of the applicable full application 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.

## **EXHIBIT 103 – SITE CONTROL**

Provide evidence of site control in the form of one of the eligible types (if multiple sites, the applicant must have control of each site making up the single development). The expiration of any agreement must not occur until at least **90 days** after the deadline for submitting the **full** application.

### **Exhibit 103 must include:**

1. A legal description.
2. 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).
3. Provide a signed and dated attestation from the applicant, stating that all terms and conditions of the sale are included in the sales agreement and no other agreements between the parties exist.
4. If the Seller is an interested party in the development, a current appraisal from an independent licensed third party (dated within one year of the application deadline) must be provided. NIFA reserves the right to limit the purchase price included in the development budget if the purchase price is in excess of the appraised value. Additionally, NIFA reserves the right to permit an appraisal to be valued differently, if there are unusual circumstances present.

### Eligible Types of Site Control (check only one):

- (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 or development agreement with a public agency or land bank 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.) An agreement to execute a long-term land lease with the legal description clearly identified (with a 50 year minimum term) in a form acceptable to NIFA/NDED with evidence that the lessor owns the land. Provide proof of underlying ownership.
- (iv.) Recorded Warranty Deed in the name of the owner, its general partner or an affiliated entity.

### **EXHIBIT 105 – ZONING**

Please indicate the development's status in relation to local zoning requirements (check only one):

1. Provide a letter from the appropriate local governmental body dated within one (1) year of the full 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 full 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 full approval can be obtained within **180 days** 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 full application deadline indicating that applicable utilities are or will be **available** and provide a list of possible required improvements to serve the development (water, sewer, electric, gas, as applicable).
2. In addition, 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 full application deadline. NIFA/NDED reserve the right to adjust the HOME/CDBG-DR/HTF Funds request as needed.
2. 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.
3. 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.
  - (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 have been properly applied for, and an acknowledgement letter has been provided by the subsidy provider(s).
  - (iv.) All anticipated subsidies/public funds have been discussed with all proper authorities, 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 full application, and an executed syndication agreement will be required within 90 days of the date of the Conditional Reservation. Assumptions must match Exhibit 111.**

- (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 full application 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 full application deadline.
- (ii) Completed Construction/Interim Financing Form indicating interest in financing the entire construction financing amount.
- (iii) 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. Must match Exhibit 111.

2. Documentation must be dated within one year of the applicable full application 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 full 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. If you need additional lines, please contact NIFA Allocation Staff, as square footage averages will not be accepted.

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 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. Exhibit must match Exhibit 18 (if applicable).

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. The architect must certify the information listed above in Exhibit 100.

2. The Development Worksheets must meet the following minimum underwriting guidelines:

| <b>Minimum Underwriting Guidelines</b>                 |                                |                              |
|--|--------------------------------|------------------------------|
|  | 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 Exhibit 18 HOME/HTF Maximum Per-Unit Subsidy Limits and Cost Allocation limits to qualify for HOME/HTF funds. Exhibit 18 must match Exhibit 111. Projects with HOME/HTF will need to complete the Cost Allocation spreadsheet and submit to NDED at least 10 days prior to the Threshold deadline if the applicant is submitting for the Threshold review, or at least 10 days prior to the Full 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 full application deadline.
3. HOME, CDBG-DR and HTF applicants – Market study must clearly state and support the absorption of units within 18 months of completion of the development.

**EXHIBIT 113 – PRE-NOTIFICATION OF LOCAL JURISDICTION**

Name of Political Jurisdiction: \_\_\_\_\_

Name of Chief Executive Officer: \_\_\_\_\_

Title of Chief Executive Officer: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

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 full 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. All documentation must be dated within one (1) year of the full 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 full 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 independent licensed 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 full 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 full application, and an executed syndication agreement will be required within 90 days of the date of the Conditional Reservation. Assumptions must match Exhibit 111.**

- (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 \$0.60 or greater (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.**

### E. OTHER SELECTION CRITERIA EXHIBIT CHECKLIST

All Exhibits must meet or exceed the provided exhibit descriptions and dated within one year of the applicable full application deadline. Additional information is provided in the Exhibit Examples document.

| Other Selection Criteria  | Exhibit  | Maximum Points Available | Score |
|---|--|--------------------------|-------|
| <input type="checkbox"/> Compliance & Extended Use Periods  | No   | 5                        | _____ |
| <input type="checkbox"/> Right of First Refusal   | Exhibit 200  | 2                        | _____ |
| <input type="checkbox"/> Eventual Tenant Homeownership  | Exhibit 201 – Homeownership Plan   | 2                        | _____ |
| <input type="checkbox"/> Preservation   | Exhibit 202 – Letter from mortgage institution, project-rental assistance agreement, or Part 1.  | 3                        | _____ |
| <input type="checkbox"/> Senior Development   | Exhibit 203 – Waiver for minimum square feet   | 2                        | _____ |
| <input type="checkbox"/> Family Development   | No   | 1                        | _____ |
| <input type="checkbox"/> Mixed Income Development   | No   | 3                        | _____ |
| <input type="checkbox"/> Development of Housing in Greater Nebraska                                   | Exhibit 204 – Applicant/Developer Material Participation   | 2                        | _____ |
| <input type="checkbox"/> Certified Economic Development Community/Entitlement Community               | No   | 2                        | _____ |
| <input type="checkbox"/> PHA Referral Agreement   | Exhibit 205 – PHA Referral Agreement (See Exhibit Examples)  | 1                        | _____ |
| <input type="checkbox"/> Developer / Owner Financial Support  | No   | 2                        | _____ |
| <input type="checkbox"/> Track Record of Applicant and/or Owner                                       | Exhibit 206 – Track Record of Applicant and/or Owner   | 1                        | _____ |
|   | Exhibit 207 – Track Record of Management Company/Agent   |                          |       |
| <input type="checkbox"/> Management Qualifications & Experience                                       | Exhibit 208 – Evidence of attendance at the 2023 or 2024 NIFA-sponsored annual LIHTC compliance training and/or evidence of Housing Credit Certified Professional Designation.                                     | 4                        | _____ |
| <input type="checkbox"/> 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                       | _____ |
| <input type="checkbox"/> Project Based Rental Assistance  | Exhibit 210 – Commitment letter from the Housing Authority   | 2                        | _____ |
| <input type="checkbox"/> Supportive Services  | Exhibit 211 – Supportive Service Plan, Rent Wise Certificate, and commitment letters from service providers  | 4                        | _____ |
| <input type="checkbox"/> Leverage and Collaboration   | Exhibit 212 – Evidence of Leverage   | 4                        | _____ |
| <input type="checkbox"/> Proximity to Services (Non-Metro only)                                       | Exhibit 213 – Proximity to Services  | 2                        | _____ |
| <input type="checkbox"/> Community Housing Initiatives (Non-Metro only)                               | Exhibit 214 – Letter from local jurisdiction   | 1                        | _____ |
| <input type="checkbox"/> Small Community (Non-Metro only)   | No   | 3                        | _____ |
| <input type="checkbox"/> Areas of High Opportunity (Metro only)                                       | No   | 4                        | _____ |
| <input type="checkbox"/> Qualified Census Tract   | Exhibit 215 – Letter & Plan  | 2                        | _____ |
| <input type="checkbox"/> 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.**

| <b>NIFA / NDED Scored Criteria</b>                      | <b>Exhibit</b> | <b>Maximum Points Available</b> |
|---|----------------|---------------------------------|
| 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                               |

**MORE INFORMATION ON THE OTHER SELECTION CRITERIA STARTS ON THE FOLLOWING PAGE.**

**F. 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 the affordability period for new construction rentals is 20-years and for rehabilitation is 15-years. If applying for HTF the affordability period is 30-years for both new construction and rehabilitation. 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)**

CRANE developments must elect to waive the right to request a Qualified Contract.

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 for a minimum of one year 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) <sup>NON-DR.</sup>**

Will qualified tenants have a lease-purchase homeownership option? Yes No

The commitment of eventual tenant homeownership will be reflected in the CROWN LURA (see [www.nifa.org](http://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 full 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 full 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) or the conversion of public housing under a Choice Neighborhood grant? 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 an existing senior development proposing an acquisition and rehabilitation is requesting a*

*waiver for minimum square footage, attach a copy of the waiver as **Exhibit 203**, dated within one (1) year of the applicable full 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 1,200 square feet of living space for four-bedroom units (with a minimum of one and three-quarters bathrooms) or 1,500 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 new units 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 full application deadline, a description detailing the completed development, community, population and the applicant/developer 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 COMMITMENT:**

The development owner has committed to working 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 commitment and proof of delivery as Exhibit 205, dated within one (1) year of the applicable full 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:**

Number of previous LIHTC Developments: \_\_\_\_\_

**(1 point)**

List all LIHTC developments, detailing the project number, development name, date placed in service, and role in the development (choose one from the drop-down box) as Exhibit 206. Applicant and/or Owner entities that do not have a track record in the State of Nebraska or at least one (1) development placed in service, are not eligible for this point. . If applying for NDED funding, please refer to the HOME/CDBG-DR/HTF Applicant Information section of the application. See Exhibit Examples for Exhibit.

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 full application deadline must be submitted to NIFA at least ten (10) business days before the full application deadline.*

Implementation planned for 2026/2027: 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:**

Please list the management company/agent for this development: \_\_\_\_\_

Number of years of experience managing LIHTC properties: \_\_\_\_\_

Management entities that do not have a track record in the State of Nebraska or 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, 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 will not result in a change of points for this category. Upload a current list of LIHTC and HOME/CDBG-DR/HTF developments that the management company/agent is managing in the State of Nebraska as Exhibit 207. See Exhibit Examples for Exhibit. **(1 point)**

*\*Note: The management company or agent may contact NIFA Allocation Staff by email 30 days prior to the applicable full application deadline to determine any outstanding uncorrected non-compliance items.*

Upload a copy of the management company's attendance at both days of the **2023 or 2024** NIFA-sponsored annual LIHTC Compliance Training as **Exhibit 208**. **(2 points)**

Provide current and valid documentation of a Housing Credit Certified Professional (HCCP) designation (or equivalent) for staff of the management company as Exhibit 208. **(1 point)**

**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 (including the CDBG-DR standard being used) and Amenities) a signed architect certification and the landscape plan from the Architect (dated within one year of the full 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. **(2 points)**  
*Include a landscape plan in Exhibit 209 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.*

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>). (These units cannot be the same units as accessible). **(2 points)**

- 10% or more of the units will meet “accessibility” standards as constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or an equivalent equal or stricter. (These units cannot be the same units as visibility). **(3 points)**
- Buildings will include exterior additions, examples: pre-finished shutters, decorative exterior finishes, patio/porch fencing or additional decorative trim (certification **must list** at least two (2) 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. \*If applying for CDBG-DR, the development must select the following selection below.**

- 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/programs/community/cdbg-dr/> **(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)
- \*At least one designated parking stall for each unit in a parking garage at no cost to the tenant (1 point)
- \*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)

Clothes Washing (select only one)

- \*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 and must have at least one (1) washer and dryer for every twelve (12) units) (1 point)

Outdoor Health and Wellness (select as relevant)

- \*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) (2 points)
- \*For senior developments ONLY: senior exterior exercise equipment with sufficient equipment for usage by tenants in all units (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)
- Ceiling fans with lights provided for each bedroom (1 point)

Productivity and Safety (select as relevant)

- Each unit will be equipped with a medical alert / emergency response system with active service at no cost to the tenant and must select corresponding supportive service (1 point)
- Broadband/high-speed internet access **and** paid service for each unit (For CDBG-DR: please refer to Program Guide for Property Standards) (2 points)
- Fiber internet access **and** 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 full 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 coordinated by the owner and provided at no cost to the tenant. NIFA encourages the use of available programs and resources to provide Tenants with as many Supportive Services as possible.

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 (2) 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 developments, 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/or commitment letters from the appropriate supportive service providers as Exhibit 211 dated within one (1) year of the applicable full application deadline.*

Health

On-going Medical Alert/Emergency Response System (MUST have active service for all units and 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 developments not eligible) (2 points)
- Tenant Savings Plan (CROWN developments not eligible) (1 point)
- Esusu – monthly rent reporting service ([esusurent.com](http://esusurent.com)) (2 points)
- 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 (2 points)
- Quarterly Parenting Classes (2 points)
- Quarterly State and Federal Benefits Counseling (2 points)
- Quarterly Financial Literacy Classes for Youth (2 points)
- Annual Tax Preparation and assistance with e-filing (1 point)
- 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 also be submitted.*

**Community and Care**

- Onsite Food Pantry (2 points)
- On-going Recycling Services. (2 points)
- Resource and service referrals coordinated through [Nebraska.findhelp.com](http://Nebraska.findhelp.com) (2 points)
- Licensed Childcare with Enrollment Fee (for each child paid for by the development) (2 points)
- Monthly Onsite Beautician Services (2 points)
- Monthly Onsite Congregate Meals (meals provided by owner) (2 points)
- Monthly Onsite, Organized Tenant Activities (such as movie nights or potlucks) (1 point)
- Semi-Annual Clean-up Events (2 points)
- 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 federal and state syndicator/investor equity, will be calculated in relation to total development costs.

| <b>Percent</b> | <b>Score</b> |
|----------------|--------------|
| 2.5-4.99%      | .5 point     |
| 5-7.49%        | 1 point      |
| 7.5-9.99%      | 1.5 points   |
| 10-12.49%      | 2 points     |
| 12.5-14.99%    | 2.5 points   |
| 15-17.49%      | 3 points     |
| 17.5-19.99%    | 3.5 points   |
| 20% and above  | 4 points     |

| <b>Eligible Resources</b>  | <b>Non-Eligible Resources</b>  |
|--|--|
| Capital Contributions  | NIFA & NDED funding sources included in joint application (including HOME/CDBG-DR/HTF/NAHTF) |
| Federal Home Loan Bank   | Deferred fees  |
| Community Contributions (including City HOME/CDBG, TIF, LB840, etc.) | Conventional Loans   |
| Donated Land (must provide a current third-party appraisal)          | Seller Financing Note  |
| State and Local ARPA Funds   | 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 full 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.*

**NON-METRO ONLY**

**COMMUNITY HOUSING INITIATIVES:**

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 from full application deadline. This could include new construction, purchase/rehab/resale, demolition, lot preparation, etc.

Yes  No

**(1 point)**

*Attach as Exhibit 214, a signed letter from the local jurisdiction detailing the number and type of housing activities and the date completed in the community within the past 24 months.*

**NON-METRO ONLY**

**SMALL COMMUNITY:**

The development is located in a community with a total population of 5,000 or less:

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:

Yes  No  If Yes, please list the total population of the community: \_\_\_\_\_

**(3 points)**

**(2 points)**



**METRO ONLY**

**AREAS OF HIGH OPPORTUNITY:**

NIFA will 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:

| <b>Rating</b> | <b>Score</b> |
|---------------|--------------|
| 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/>

## 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 LIHTC 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 LIHTC 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 with an increase applied (if applicable) based on the average new construction change in costs from the previous year. Total development cost (excluding land, reserves, and NIFA fees) per unit (up to two (2) points); total development cost (excluding land, reserves, and NIFA fees) 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:

Evaluated  
by NDED

- (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;
- (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/HTF funds does not exceed 25% of the total development costs. While CDBG-DR funding allocation is not subject to 25% of total cost please refer to the State of Nebraska DR-4420 Action Plan available here: [StateofNebraskaDR-4420ActionPlan](#)
- (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 and notify applicants prior to the full application deadline if NDED has approved the project site.
- NDED will provide the scoring team with a list of developments that it's prepared to fund based on the criteria set forth in the QAP, Annual Action Plan and Program Guides. NDED will issue a notice of intent to Applicants requesting HOME/CDBG-DR/HTF funding based on the final ranking made by the scoring team, approval by NDED Directors, and the NIFA Board of Directors, as funds are available.
- NDED reserves the right to reduce the amount requested regardless of ranking. For HOME/HTF, it is required that the Applicant provide a commitment letter from an alternative source for the balance of the \$500,000 in the event that the Applicant does not receive full funding.
- NDED reserves the right to not fund an Applicant based on the status of other federal and state funding sources, including any parties involved in the department and any conditional funds, regardless of ranking.

## Natural Disaster Designation

Two (2) points will be awarded to housing developments that meet one or both of the following conditions: (1) development is located, or to be located, in a **county** that is included in DR-4420; or (2) housing development is located, or to be located, in a **county** 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 and has been designated eligible for Individual Assistance through FEMA. In the event of another disaster allocation of CDBG-DR (or similar funding resource), NDED and NIFA reserve the right to identify counties having a particular concentration of housing damages for these points.

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 |

Points Available:  
0, 2 or 3

\*Counties included in the HUD-defined MID area

## **OR**

Three (3) points will be awarded to housing developments that meet one or both of the following conditions: (1) development is located, or to be located, in a **community** that is included in DR-4420; or (2) housing development is located, or to be located, in a **community** 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 and has been designated eligible for Individual Assistance through FEMA. In the event of another disaster allocation of CDBG-DR (or similar funding resource), NDED and NIFA reserve the right to identify communities having a particular concentration of housing damages for these points. 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.

## 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 (including PBV);
  - (d) which obligates the owner to serve qualified tenants for the longest period of time;
  - (e) prior performance and capacity;
  - (f) which provides the most efficient usage of the LIHTC on a per unit basis; and
  - (g) 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.
3. NDED shall evaluate all applicants based on the following information:
  - 2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).
  - 2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

- CDBG-DR: To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

4. 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.

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](http://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



## 2024/2025 4% NIFA/NDED Application

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*



# For Informational Purposes Only – Must Submit an Online Application

## 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, 2024/2025 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.

- **Full Application for 4% LIHTC/AHTC.** Complete and submit the 2024/2025 4% NIFA/NDED Application (the “Application”) (along with applicable fees) online at [www.nifa.org](http://www.nifa.org) by the date(s) set forth in the 4% LIHTC/AHTC Allocation Plan. Until the 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.

**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.

- **Threshold Deficiency Correction Period.** 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 and will allow for a Threshold Deficiency Correction Period.
- **Application for Private Activity Bond Cap.** Upon notification and request by NIFA, complete and submit the Private Activity Volume Cap Allocation Application – Multifamily Rental Housing (the “Cap Application”) (along with applicable fees) online at [www.nifa.org](http://www.nifa.org) to request an allocation of Private Activity Bond Cap. **NOTE: The duration of the allocation of Private Activity Bond Cap is limited to a specific period of time. Thus, your Application must be approved by NIFA as final prior to applying for an allocation of Private Activity Bond Cap.**

- **Requests for Private Activity Bond Cap for Both 4% LIHTCs and AHTCs**
  - For both 2024 and 2025, NIFA will make available up to approximately \$35 million of Private Activity Bond Cap 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 the 4% Housing Credit 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 2024 and 2025, NIFA will consider requests for Private Activity Bond Cap in accordance with the procedures further set forth in the 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 \$26 million for 2024 and shall thereafter be increased annually, at the discretion of the Executive Director, with consideration to overall Private Activity Bond cap, 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.

## **A. INSTRUCTIONS AND CERTIFICATION**

### **1. INSTRUCTIONS:**

The undersigned applicant hereby makes an application to the NIFA for (i) a reservation of 4% LIHTC and (ii) if indicated below on this Application, a reservation of AHTC. The AHTC will not be automatically awarded with the 4% LIHTC and must be specifically requested in the Full 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 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 cycle as described in the applicable Housing Credit Allocation Plan for 4% LIHTC and AHTC (see Appendix A thereto).
- (c) An 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

(d) Applications will be scored SOLELY on information provided in the online funding Application submitted for the applicable Allocation Cycle deadline. Applications must be submitted in full by the 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 the 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](http://www.nifa.org)

HOME Program:  
Mechele Grimes  
Nebraska Department of Economic  
Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Telephone: (402) 309-4536  
Email: [mechele.grimes@nebraska.gov](mailto:mechele.grimes@nebraska.gov)  
Web Address: [opportunity.nebraska.gov/](http://opportunity.nebraska.gov/)

CDBG-DR Program:  
Christina Zink  
Nebraska Department of Economic  
Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Telephone: (402) 326-4091  
Email: [christina.zink@nebraska.gov](mailto:christina.zink@nebraska.gov)  
Web Address:  
<https://opportunity.nebraska.gov/programs/housing/>

HTF Program:  
Cassandra Stark  
Nebraska Department of Economic Development  
245 Fallbrook Blvd., Suite 002  
Lincoln, NE 68521  
Email: [cassandra.stark@nebraska.gov](mailto:cassandra.stark@nebraska.gov)  
Web Address: [opportunity.nebraska.gov/](http://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 2023 Annual Action Plan, and the 2024 Annual Action Plan when available, located at: <https://opportunity.nebraska.gov/programs/plans-reports/>. The CDBG-DR Action Plan is located at: [StateofNebraskaDR-4420ActionPlan](#).
3. 2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).

2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

CDBG-DR: To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

4. Applicant and partners have addressed and cleared all compliance problems from past awards and responses have been accepted by NDED.
5. 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.).
6. 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.

7. 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 LIHTC/AHTC APPLICANT/OWNER *(download a copy of Certification of Applicant/Owner from the Exhibit Examples at [www.nifa.org](http://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, incomplete, or altered after third-party signature, 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 (IRS) and Nebraska Department of Revenue.

I (We) hereby make an 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 NIFA and NDED will share any and all information regarding all jointly funded developments through the respective program affordability period.

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 information, including the scores for Applications at [www.nifa.org](http://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 Conditional 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](http://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 12 (entitled "Statement of Assurances and Certification for Local Governments"); and the certification found at Exhibit 14 (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](http://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: \_\_\_\_\_

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

County: \_\_\_\_\_

Legislative District: \_\_\_\_\_

Congressional District: \_\_\_\_\_

**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 1**, 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.

**HOME/HTF/CDBG-DR APPLICANT INFORMATION:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Federal Tax I.D. Number:

\_\_\_\_\_ State: \_\_\_\_\_

Email: \_\_\_\_\_

Unique Entity Identification (UEI) 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](https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction) *Please complete and upload Exhibits 10-18 as applicable.*

Type of Assistance:  HOME  HTF  CDBG-DR

\*2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).



**\*\*2025:** Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).

**\*\*\*CDBG-DR:** To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1) the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

**HUD-DEFINED MOST IMPACTED AND DISTRESSED (MID) AREA (DR-4420) <sup>DR</sup>:**

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/programs/business/opportunity-zones/>

County: \_\_\_\_\_

Census Tract Number: \_\_\_\_\_

**BOND ISSUER:**

Please check the appropriate box below regarding the proposed issue of the bonds.

NIFA as issuer of tax-exempt bonds (see credit requirements for bonds issued by NIFA at [www.nifa.org](http://www.nifa.org)).

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.

NIFA is not the issuer of tax-exempt bonds

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.

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 212.*

**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 Private Placement is proposed, please provided the following:

Placement Agent (if any): \_\_\_\_\_

Bond Purchaser: \_\_\_\_\_

Bond Trustee: \_\_\_\_\_

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 Private Placement is proposed, please provided the following:

Placement Agent (if any): \_\_\_\_\_

Bond Purchaser: \_\_\_\_\_

Bond Trustee: \_\_\_\_\_

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: \_\_\_\_\_

**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

**PROPOSED EFFECT ON TAXES:**

Present property tax base: \$ \_\_\_\_\_  
Property taxes after completion: \$ \_\_\_\_\_  
Property tax increase: \_\_\_\_\_  
Estimated sales taxes during construction: \$ \_\_\_\_\_

**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: \_\_\_\_\_

Has Ownership Entity been formed?

Federal Tax ID Number: \_\_\_\_\_

Yes  No

(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

Acquisition & Rehabilitation

Rehabilitation Only

New Construction/Acquisition & Rehabilitation

Tax-Exempt Bond Financing Allocation

AHTC requested **(If you are NOT requesting Nebraska AHTC, complete and sign the Waiver with Respect to Nebraska Affordable Housing Tax Credits. Upload as Exhibit 3.)**

**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.

**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 80% of the AMI, as long as the average income/rent limit in the development is 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 or DDA 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 full 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(s) 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 the last ten (10) years.
5. Include identification of community partners, timelines, and goals.

**(1 point)**

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.

*Developments in a QCT or DDA 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 (indicating the page number(s) that pertains to the proposed development) as Exhibit 216.*

**QUALIFIED CENSUS TRACTS AND DIFFICULT DEVELOPMENT AREAS:**

The Department of Housing and Urban Development statutorily mandated Qualified Census Tracts for IRC Section 42 are updated on an annual basis. The current list can be found: <https://www.huduser.gov/portal/datasets/qct.html>.

**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 15 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

**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                                     | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Air Conditioning                            | <input type="checkbox"/> Electric | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Lighting                                    | <input type="checkbox"/> Electric | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Cooking                                     | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Hot Water                                   | <input type="checkbox"/> Gas      | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   | <input type="checkbox"/> Electric | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Sewer                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Water                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> Tenant |                  |        |        |        |        |
| Trash                                       |                                   | <input type="checkbox"/> Owner  | _____            | _____  | _____  | _____  | _____  |
|   |                                   | <input type="checkbox"/> 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 full application 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. 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/programs/housing/home/>.*

**DEVELOPMENT INFORMATION:**

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: _____ |

Syndicator Information:

|                                 |                     |                             |
|---------------------------------|---------------------|-----------------------------|
| 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: _____ |

Construction Lender Information:

|                      |                     |                             |
|----------------------|---------------------|-----------------------------|
| Lender: _____        | Phone Number: _____ | Identity of Interest: _____ |
| Lender: _____        | Phone Number: _____ | Identity of Interest: _____ |
| <u>Lender:</u> _____ | Phone Number: _____ | Identity of Interest: _____ |

Permanent Lender Information:

|                      |                     |                             |
|----------------------|---------------------|-----------------------------|
| <u>Lender:</u> _____ | Phone Number: _____ | Identity of Interest: _____ |
| <u>Lender:</u> _____ | Phone Number: _____ | Identity of Interest: _____ |
| <u>Lender:</u> _____ | Phone Number: _____ | Identity of Interest: _____ |

Other Financing Sources:

|       |                     |                             |
|-------|---------------------|-----------------------------|
| _____ | 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: The management company or agent may contact NIFA Allocation Staff by email 30 days prior to the applicable full application deadline to determine any outstanding uncorrected non-compliance items.*

### 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 full application deadline. Detailed descriptions of the Threshold Exhibits 100-116 are outlined in the next section.

| <b>Threshold Exhibits</b>            | <b>Description</b>  |
|--------------------------------------|---|
| <input type="checkbox"/> EXHIBIT 1   | Provide a one (1) page summary of the proposed development  |
| <input type="checkbox"/> EXHIBIT 2   | Details of any sale or transfer of LIHTC and AHTC (if applicable)   |
| <input type="checkbox"/> EXHIBIT 3   | Waiver with Respect to Nebraska Affordable Housing Tax Credits  |
| <input type="checkbox"/> EXHIBIT 4   | Relocation assistance plan (if applicable)  |
| <input type="checkbox"/> EXHIBIT 5   | Evidence of rental assistance (if applicable)   |
| <input type="checkbox"/> EXHIBIT 6   | Current utility allowance documentation   |
| <input type="checkbox"/> EXHIBIT 7   | Pictures of the site/structure taken from each direction. <b>(North, South, East, &amp; West)</b>   |
| <input type="checkbox"/> EXHIBIT 8   | Location Map (See Exhibit Examples for more information)  |
|                                      | <b>Exhibits 10-18 are required only if applying for HOME, CDBG-DR, or HTF</b>   |
| <input type="checkbox"/> EXHIBIT 10  | NDED Housing Site Review Form & Determination of Level of Review (within 75 days of application deadline) <b>(HOME/HTF/CDBG-DR)</b> <a href="https://opportunity.nebraska.gov/programs/community/cdbg-dr/">https://opportunity.nebraska.gov/programs/community/cdbg-dr/</a> |
| <input type="checkbox"/> EXHIBIT 11  | Notice of Public Hearing or Public Meeting <b>(HOME/CDBG-DR/HTF Funds)</b>  |
| <input type="checkbox"/> EXHIBIT 12  | Statement of Assurances and Certifications <b>(HOME/CDBG-DR)</b>  |
| <input type="checkbox"/> EXHIBIT 13  | Residential Anti-Displacement and Relocation Assistance Plan <b>(HOME/CDBG-DR/HTF Funds)</b>  |
| <input type="checkbox"/> EXHIBIT 14  | Applicant Certification for Non-Profits and Housing Authorities <b>(HOME/CDBG-DR/HTF Funds)</b>   |
| <input type="checkbox"/> EXHIBIT 15  | Authorizing Resolution for Non-Profits and Housing Authorities <b>(HOME/CDBG-DR/HTF Funds)</b>  |
| <input type="checkbox"/> EXHIBIT 16  | Certification of Rental Project Federal Assistance <b>(HOME/CDBG-DR/HTF Funds)</b>  |
| <input type="checkbox"/> EXHIBIT 17  | System for Award Management (SAM) <b>(HOME/CDBG-DR/HTF Funds)</b>   |
| <input type="checkbox"/> EXHIBIT 18  | HOME/HTF Cost Allocation Tool <b>(HOME/HTF Funds)</b> refer to: HOME HTF-Cost-Allocation-Tool May 2020 (003).xlsx   |
| <input type="checkbox"/> EXHIBIT 100 | Architect Certification, Required Design and Required Green Standards, and Architectural Plans  |
| <input type="checkbox"/> EXHIBIT 101 | Fair Housing Act and Section 504 - Design   |
| <input type="checkbox"/> EXHIBIT 102 | Affirmative Marketing Plan  |
| <input type="checkbox"/> EXHIBIT 103 | Site Control  |
| <input type="checkbox"/> EXHIBIT 104 | Intentionally omitted   |
| <input type="checkbox"/> EXHIBIT 105 | Zoning  |
| <input type="checkbox"/> EXHIBIT 106 | Utilities   |
| <input type="checkbox"/> EXHIBIT 107 | Subsidies/Public Funds  |
| <input type="checkbox"/> EXHIBIT 108 | Investor Interest/Commitment Form   |
| <input type="checkbox"/> EXHIBIT 109 | Construction/Interim Financing Form   |
| <input type="checkbox"/> EXHIBIT 110 | Permanent Financing Form  |
| <input type="checkbox"/> EXHIBIT 111 | Development Worksheets <b>(See Exhibit Examples)</b>  |
| <input type="checkbox"/> EXHIBIT 112 | Market Study  |
| <input type="checkbox"/> EXHIBIT 113 | Pre-notification of Local Jurisdiction  |
| <input type="checkbox"/> EXHIBIT 114 | Capital Needs Assessment <b>(Rehabilitations and Adaptive Reuse only)</b>   |
| <input type="checkbox"/> EXHIBIT 115 | Ten Year Rule/Appraisal <b>(Acquisition credits only)</b>   |
| <input type="checkbox"/> EXHIBIT 116 | AHTC Investor Interest/Commitment Form (if applicable)  |

## D. THRESHOLD EXHIBITS 100-116

### **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 full application deadline) that certifies each requirement below:

1. Certify the information provided on the Unit Information tab in the Exhibit 111 has a true and correct breakdown of the following: number of units by unit type and size; total square footage including, residential living space square footage (for LIHTC, HOME/HTF/CDBG-DR and Market), garage, storage areas, or unfinished basement within the unit.
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. Please specify and certify the elected Green Building Property Standard. The CDBG-DR Eligibility Requirements are available at:**  
<https://opportunity.nebraska.gov/programs/community/cdbg-dr/>
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 or most recent code adopted by the State of Nebraska.
  - (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/wp-content/uploads/2021/12/HTF-DED-Minimum-Rehab-Standards-01-2018-1.pdf>
5. Upload legible and labeled preliminary architectural drawings that include all site plan(s), elevation drawings (front, back, and sides, if sides are same, indicate on drawings) 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 (including the number of units for accessibility and sensory). All projects must meet applicable Section 504/UFAS requirements. New construction projects with five (5) or more total units and substantial rehabilitation projects with 15 or more total units must provide 5% of the project's units (but not less than one [1]) for physically disabled occupants and another 2% of units (but not less than one [1]) designed to be accessible to those with visual or hearing impairments. See 24 CFR Part 8 and also Sec. 504 FAQs. Information regarding Section 504 accessibility requirements can be found at: [http://www.access.gpo.gov/nara/cfr/waisidx\\_98/24cfr8\\_98.html](http://www.access.gpo.gov/nara/cfr/waisidx_98/24cfr8_98.html)
  - (iii) Signed certification must be dated within one year of the applicable full 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) Use the most recent form.
  - (ii) Sign and date the form.
  - (iii) Complete all applicable worksheets.
  - (iv) Signed form must be dated within one year of the applicable full application 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.

## **EXHIBIT 103 – SITE CONTROL**

Provide evidence of site control in the form of one of the following eligible forms (if multiple sites, the applicant must have control of each site 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. Provide a signed and dated certification, from the applicant, stating all terms and conditions of the sale are included in the sales agreement and no other agreements between the parties exist.
3. The expiration of any purchase/option agreement must not occur until at least **90 days** after the deadline for submitting the **full** application. (Note: not the threshold deadline).
4. Current appraisal from an unrelated third party, if the seller is an interested party in the development (dated within one year of the application deadline). NIFA reserves the right to allow an appraisal to be valued differently, if there are unusual circumstances to support the difference.

### Eligible Types of Site Control (check only one):

- (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 or development agreement with a public agency or land bank 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.) An agreement to execute a long-term land lease with the legal description clearly identified (with a 50 year minimum term) in a form acceptable to NIFA/NDED with evidence that the lessor owns the land. Provide proof of underlying ownership.
- (iv.) Recorded Warranty Deed in the name of the owner, its general partner or an affiliated entity.

### **EXHIBIT 105 – ZONING**

Please indicate the development's status in relation to local zoning requirements (check only one):

1. Provide a letter from the appropriate local governmental body dated within one (1) year of the full 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 **180 days** 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 full application deadline indicating that applicable utilities are or will be **available** and provide a list of possible required improvements to serve the development (water, sewer, electric, gas, as applicable).
2. In addition, 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 full application deadline. NIFA/NDED reserve the right to adjust the CDBG-DR Funds request as needed.
2. 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.
3. 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.
  - (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 have been properly applied for, and an acknowledgement letter has been provided by the subsidy provider(s).
  - (iv.) All anticipated subsidies/public funds have been discussed with all proper authorities, 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 full application, and an executed syndication agreement will be required within 90 days of the date of the Conditional Reservation. Assumptions must match Exhibit 111.**

- (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 full 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 full application deadline.
  - (ii) Completed Construction/Interim Financing Form indicating interest in financing the entire construction financing amount.
  - (iii) 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. Must match Exhibit 111.
2. Documentation must be dated within one year of the applicable full application 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 full 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. If you need additional lines, please contact NIFA Allocation Staff, as square footage averages will not be accepted.

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. Exhibit must match Exhibit 18 (if applicable).

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. The architect must certify the information listed above in Exhibit 100.

2. The Development Worksheets must meet the following minimum underwriting guidelines:

| <b>Minimum Underwriting Guidelines</b>                 |                                |                              |
|--|--------------------------------|------------------------------|
|  | 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 Exhibit 18 HOME/HTF Maximum Per-Unit Subsidy Limits and Cost Allocation limits to qualify for HOME/HTF funds. Exhibit 18 must match Exhibit 111. Projects with HOME/HTF will need to complete the Cost Allocation spreadsheet and submit to NDED at least 10 days prior to the Threshold deadline if the applicant is submitting for the Threshold review, or at least 10 days prior to the Full 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 full application deadline.
3. HOME, CDBG-DR and HTF applicants – Market study must clearly state and support the absorption of units within 18 months of completion of the development.

### **EXHIBIT 113 – PRE-NOTIFICATION OF LOCAL JURISDICTION**

Name of Political Jurisdiction: \_\_\_\_\_

Name of Chief Executive Officer: \_\_\_\_\_

Title of Chief Executive Officer: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

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 cycle full 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. All documentation must be dated within one (1) year of the full 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 full 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 full 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 full application, and an executed syndication agreement will be required within 90 days of the date of the Conditional Reservation. Assumptions must match Exhibit 111.**

- (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 \$0.60 or greater (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.**

### E. OTHER SELECTION CRITERIA EXHIBIT CHECKLIST

All Exhibits must meet or exceed the provided exhibit descriptions and dated within one year of the applicable full application deadline. Additional information provided in the Exhibit Examples document.

| Other Selection Criteria  | Exhibit  | Maximum Points Available | Score |
|---|--|--------------------------|-------|
| <input type="checkbox"/> Compliance & Extended Use Periods  | No   | 5                        | _____ |
| <input type="checkbox"/> Right of First Refusal   | Exhibit 200  | 2                        | _____ |
| <input type="checkbox"/> Exhibit 201  | Intentionally Omitted  |                          |       |
| <input type="checkbox"/> Preservation   | Exhibit 202 – Letter from mortgage institution, project-rental assistance agreement, or Part 1.  | 3                        | _____ |
| <input type="checkbox"/> Senior Development   | Exhibit 203 – Waiver for minimum square feet   | 2                        | _____ |
| <input type="checkbox"/> Family Development   | No   | 1                        | _____ |
| <input type="checkbox"/> Mixed Income Development   | No   | 3                        | _____ |
| <input type="checkbox"/> Development of Housing in Greater Nebraska                                   | Exhibit 204 – Applicant/Developer Material Participation   | 2                        | _____ |
| <input type="checkbox"/> Certified Economic Development Community/Entitlement Community               | No   | 2                        | _____ |
| <input type="checkbox"/> PHA Referral Agreement   | Exhibit 205 – PHA Referral Agreement (See Exhibit Examples)  | 1                        | _____ |
| <input type="checkbox"/> Developer / Owner Financial Support  | No   | 2                        | _____ |
| <input type="checkbox"/> Track Record of Applicant and/or Owner                                       | Exhibit 206 – Track Record of Applicant and/or Owner.  | 1                        | _____ |
|   | Exhibit 207 – Track Record of Management Company/Agent Management .  |                          |       |
| <input type="checkbox"/> Management Qualifications & Experience                                       | Exhibit 208 – Evidence of attendance at the 2023 or 2024 NIFA-sponsored annual LIHTC compliance training and/or evidence of Housing Credit Certified Professional Designation.                                     | 4                        | _____ |
| <input type="checkbox"/> 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                       | _____ |
| <input type="checkbox"/> Project Based Rental Assistance  | Exhibit 210 – Commitment letter from the Housing Authority   | 2                        | _____ |
| <input type="checkbox"/> Supportive Services  | Exhibit 211 – Supportive Service Plan, Rent Wise Certificate, and commitment letters from service providers  | 4                        | _____ |
| <input type="checkbox"/> Leverage and Collaboration   | Exhibit 212 – Evidence of Leverage   | 4                        | _____ |
| <input type="checkbox"/> Exhibit 213  | Intentionally Omitted  |                          |       |
| <input type="checkbox"/> Exhibit 214  | Intentionally Omitted  |                          |       |
| <input type="checkbox"/> Areas of High Opportunity  | No   | 4                        | _____ |
| <input type="checkbox"/> Qualified Census Tract   | Exhibit 215 – Letter & Plan  | 2                        | _____ |
| <input type="checkbox"/> Neighborhood Revitalization Plan or Choice Neighborhood program              | Exhibit 216—Neighborhood Plan or Evidence of Choice Neighborhood program participation   | 1                        | _____ |
| <input type="checkbox"/> 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.**

| <b>NIFA / NDED Scored Criteria</b>                      | <b>Exhibit</b> | <b>Maximum Points Available</b> |
|---|----------------|---------------------------------|
| 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                               |

**MORE INFORMATION ON THE OTHER SELECTION CRITERIA STARTS ON THE FOLLOWING PAGE.**

**F. OTHER SELECTION CRITERIA – 4% LIHTC/BOND (AHTC if applicable) 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).*

*Please note if applying for HOME the affordability period for new construction rentals is 20-years and for rehabilitation is 15-years. If applying for HTF the affordability period is 30-years for both new construction and rehabilitation. 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 for a minimum of one year 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)**

**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 full 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) or the conversion of public housing under a Choice Neighborhood grant? 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.).

*With respect to an existing senior development, if the applicant is proposing an acquisition and rehabilitation waiver for minimum square footage, attach a copy of the waiver as Exhibit 203, dated within one (1) year of the applicable fullapplication 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 1,200 square feet of living space for four-bedroom units (with a minimum of one and three-quarters bathrooms) or 1,500 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 households at or below 150% AMI?

Yes  No

*Please note lots must be contiguous for mixed income developments.*

Check the appropriate box:  At least 10% of the units are 150% AMI **(1 point)**

At least 15% of the units are 150% AMI **(2 points)**

At least 20% of the units are 150% AMI **(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 new units 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 full 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

**(2 points)**

Department of Economic Development or in a CDBG entitlement community?

Yes  No

**PHA REFERRAL COMMITMENT:**

The development owner has committed to working 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 commitment and proof of delivery as Exhibit 205, dated within one (1) year of the applicable full 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:**

Number of previous LIHTC Developments: \_\_\_\_\_

**(1 point)**

List all LIHTC developments, detailing the project number, development name, date placed in service, and role in the development (choose one from the drop-down box) as Exhibit 206.

Applicant and/or Owner entities that do not have a track record in the State of Nebraska or at least one (1) development placed in service, are not eligible for this point. If applying for NDED funding, please refer to the HOME/CDBG-DR/HTF Applicant Information section of the application. See Exhibit Examples for Exhibit.

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 full application deadline must be submitted to NIFA at least ten (10) business days before the full application deadline.*

Implementation planned for 2026/2027: 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:**

Please list the management company/agent for this development: \_\_\_\_\_

Number of years of experience managing LIHTC properties: \_\_\_\_\_

Management entities that do not have a track record in the State of Nebraska or 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. Upload a current list of LIHTC and HOME/CDBG-DR/HTF developments that the management company/agent is managing in the State of Nebraska as Exhibit 207. See Exhibit Examples for Exhibit. **(1 point)**

***Note:** The management company or agent may contact NIFA Allocation Staff by email 30 days prior to the applicable full application deadline to determine any outstanding uncorrected non-compliance items.*

Upload a copy of the management company’s attendance at both days of the **2023 or 2024** NIFA-sponsored annual LIHTC Compliance Training as **Exhibit 208**. **(2 points)**

Provide current and valid documentation of a Housing Credit Certified Professional (HCCP) designation (or equivalent) for staff of the management company as Exhibit 208. **(1 point)**

**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 (including the CDBG-DR standard being used) and Amenities) a signed architect certification and the landscape plan from the Architect (dated within one year of the full 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. **(2 points)**  
*Include a landscape plan in Exhibit 209 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.*

20% or more of the units will meet the “visitability” design standards as defined by the Nebraska Assistive Technology Partnership (For additional **(2 points)**

information, visit <https://atp.nebraska.gov>. (These units cannot be the same units as accessible).

- 10% or more of the units will meet “accessibility” standards as constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or an equivalent equal or stricter. (These units cannot be the same units as visibility). **(3 points)**
- Buildings will include exterior additions, examples: pre-finished shutters, decorative exterior finishes, patio/porch fencing or additional decorative trim (certification **must list** at least two (2) 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. \*If applying for CDBG-DR, the applicant must select the box below marked with an asterisk.**

- 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/programs/community/cdbg-dr/> **(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)
- \*At least one designated parking stall for each unit in a parking garage at no cost to the tenant (1 point)
- \*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)

Clothes Washing (select only one)

- \*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 and must have at least one (1) washer and dryer for every twelve (12) units) (1 point)

Outdoor Health and Wellness (select as relevant)

- \*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) (2 points)
- \*For senior developments ONLY: senior exterior exercise equipment with sufficient equipment for usage by tenants in all units (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)
- Ceiling fans with lights provided for each bedroom (1 point)

Productivity and Safety (select as relevant)

- Each unit will be equipped with a medical alert / emergency response system with active service at no cost to the tenant and must select corresponding supportive service (1 point)
- Broadband/high-speed internet access **and** paid service for each unit (For CDBG-DR: please refer to Program Guide for Property Standards) (2 points)
- Fiber internet access **and** 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 full 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 coordinated by the owner and provided at no cost to the tenant. NIFA encourages the use of available programs and resources to provide Tenants with as many Supportive Services as possible.

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 (2) 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.

**Please check the following supportive services that apply to the proposed development.**  
*Attach a Supportive Service plan and/or commitment letters from the appropriate supportive service providers as Exhibit 211 dated within one (1) year of the applicable full application deadline.*

Health

- On-going Medical Alert/Emergency Response System (MUST have active service on all units and 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 developments not eligible) **(2 points)**
- Tenant Savings Plan (CROWN developments not eligible) **(1 point)**
- Esusu – monthly reporting service (esusurent.com) **(2 points)**

- |   |                   |
|---|-------------------|
| <input type="checkbox"/> Owner Paid Renter’s Insurance for Tenant (yearly).   | <b>(3 points)</b> |
| <u>Education, Counseling or Training</u>  |                   |
| <input type="checkbox"/> Weekly Tutoring Services for Students  | <b>(3 points)</b> |
| <input type="checkbox"/> Weekly After-School Enrichment Program   | <b>(3 points)</b> |
| <input type="checkbox"/> Monthly Onsite Job Training  | <b>(2 points)</b> |
| <input type="checkbox"/> Monthly Nutrition Education Classes  | <b>(2 points)</b> |
| <input type="checkbox"/> Quarterly Financial Management Classes   | <b>(2 points)</b> |
| <input type="checkbox"/> Quarterly Parenting Classes  | <b>(2 points)</b> |
| <input type="checkbox"/> Quarterly State and Federal Benefits Counseling  | <b>(2 points)</b> |
| <input type="checkbox"/> Quarterly Financial Literacy Classes for Youth   | <b>(2 points)</b> |
| <input type="checkbox"/> Annual Tax Preparation and assistance with e-filing  | <b>(1 point)</b>  |
| <input type="checkbox"/> Annual RentWise Education  | <b>(1 point)</b>  |
| <i>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 also be submitted.</i> |                   |
| <u>Community and Care</u>   |                   |
| <input type="checkbox"/> Onsite Food Pantry   | <b>(2 points)</b> |
| <input type="checkbox"/> On-going Recycling Services.   | <b>(2 points)</b> |
| <input type="checkbox"/> Resource and service referrals coordinated through Nebraska.findhelp.com   | <b>(2 points)</b> |
| <input type="checkbox"/> Licensed Childcare with Enrollment Fee (for each child paid for by the development)  | <b>(2 points)</b> |
| <input type="checkbox"/> Monthly Onsite Beautician Services   | <b>(2 points)</b> |
| <input type="checkbox"/> Monthly Onsite Congregate Meals (provided by the owner)  | <b>(2 points)</b> |
| <input type="checkbox"/> Monthly Onsite, Organized Tenant Activities (such as movie nights or potlucks)   | <b>(1 point)</b>  |
| <input type="checkbox"/> Semi-Annual Clean-up Events  | <b>(2 points)</b> |
| <input type="checkbox"/> Annual Transportation (for the Tenant at least 12 round trips per year).   | <b>(2 points)</b> |
| <input type="checkbox"/> Annual Deep Cleaning of the Unit (must describe in service agreement)  | <b>(2 points)</b> |
| <input type="checkbox"/> Other Services Offered Annually (subject to NIFA’s approval) Please list _____   | <b>(1 point)</b>  |

**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 federal and state syndicator equity will be calculated in relation to total development costs.

| <b>Percent</b> | <b>Score</b> |
|----------------|--------------|
| 2.5-4.99%      | .5 point     |
| 5-7.49%        | 1 point      |
| 7.5-9.99%      | 1.5 points   |
| 10-12.49%      | 2 points     |
| 12.5-14.99%    | 2.5 points   |
| 15-17.49%      | 3 points     |
| 17.5-19.99%    | 3.5 points   |
| 20% and above  | 4 points     |

| <b>Eligible Resources</b>  | <b>Non-Eligible Resources</b>  |
|--|--|
| Capital Contributions  | NIFA & NDED funding sources included in joint application (including HOME/CDBG-DR/HTF/NAHTF) |
| Federal Home Loan Bank   | Deferred fees  |
| Community Contributions (including City HOME/CDBG, TIF, LB840, etc.) | Conventional Loans   |
| Donated Land (must provide a third-party appraisal)                  | Seller Financing Note  |
| State and Local ARPA Funds   | 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 full application due date.*

**AREAS OF HIGH OPPORTUNITY:**

NIFA will 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:

| <b>Rating</b> | <b>Score</b> |
|---------------|--------------|
| 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/>

## 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 LIHTC 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 LIHTC 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](http://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 with an increase applied (if applicable) based on the average new construction change in costs from the previous year. Total development cost (except land, reserves, and NIFA fees) per unit (up to two (2) points); total development cost (except land, reserves, and NIFA fees) 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;

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/HTF funds does not exceed 25% of the total development costs. While CDBG-DR funding allocation is not subject to 25% of total cost please refer to the State of Nebraska DR-4420 Action Plan available here: [StateofNebraskaDR-4420ActionPlan](#)
- (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 and notify applicants prior to the full application deadline if NDED has approved the project site.
- NDED will provide the scoring team with a list of developments that it's prepared to fund based on the criteria set forth in the QAP, Annual Action Plan and Program Guides. NDED will issue a notice of intent to Applicants requesting HOME/CDBG-DR/HTF funding based on the final ranking made by the scoring team, approval by NDED Directors, and the NIFA Board of Directors, as funds are available.
- NDED reserves the right to reduce the amount requested regardless of ranking. For HOME/HTF, it is required that the Applicant provide a commitment letter from an alternative source for the balance of the \$500,000 in the event that the Applicant does not receive full funding.
- NDED reserves the right to not fund an Applicant based on the status of other federal and state funding sources, including any parties involved in the department and any conditional funds, regardless of ranking.

## 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 cycle, 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 (including PBV);
  - (d) which obligates the owner to serve qualified tenants for the longest period of time;
  - (e) prior performance and capacity;
  - (f) which provides the most efficient usage of the LIHTC on a per-unit basis; and
  - (g) 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.
3. NDED shall evaluate all applicants based on the following information:
  - 2024: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2022 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2021 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2024 NIFA/NDED Joint Application (HOME/HTF Program Year 2023).
  - 2025: Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/NDED Joint Application (HOME/HTF Program Year 2022 and prior) must be at release of funds stage or greater to apply for HOME/HTF funds in the 2025 NIFA/NDED Joint Application (HOME/HTF Program Year 2024).
  - CDBG-DR: To be eligible for CDBG-DR funds in the 2024-25 NIFA/NDED Joint Application, Applicants (and any member of the project team, including developers, consultants, non-profits or housing agencies) that were approved for CDBG-DR funding under either (1)

the Affordable Housing Construction Program or (2) received a NOIA for a NIFA/NDED Joint Application (HOME/HTF Program Year 2021 or prior) must have achieved HUD Environmental Clearance or greater. In general, this milestone aligns with the Funding Agreement stage.

4. 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.

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](http://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



## 2024/2025 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, incomplete, or altered after third-party signature, 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 (IRS) 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 NIFA and NDED will share any and all information regarding all jointly funded developments through the respective program affordability period.

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





**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:

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Applicant Signature

---

Date

---

Name of Applicant



**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.

\_\_\_\_\_  
Signature of Consultant

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)

### EXHIBIT 3

#### NON-PROFIT INFORMATION

If the development is to be considered for the nonprofit 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 nonprofit.
- (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](mailto: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.
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.



**EXHIBIT 10**

**NEBRASKA DED HOUSING SITE REVIEW FORM & DETERMINATION OF LEVEL OF REVIEW**

Please complete all the information in Box A, B and C. Please provide one site review form for each address.

**Part A. Project Information**

|  |  |                  |  |
|--|--|------------------|--|
| <b>NAME OF PROJECT</b>   |  |                  |  |
| <b>CONTRACT #</b> <i>(or other identifier, if applicable)</i>  |  |                  |  |
| <b>APPLICANT</b>   |  | <b>DEVELOPER</b> |  |
| <b>NAME OF PERSON COMPLETING FORM</b>  |  |                  |  |
| <b>EMAIL ADDRESS</b>   |  | <b>PHONE</b>     |  |
| <b>FUNDING SOURCE</b> <i>(select all that apply):</i>  |  |                  |  |
| <input type="checkbox"/> CDBG-DR <input type="checkbox"/> HOME <input type="checkbox"/> HOME-American Rescue Plan (ARP) <input type="checkbox"/> National Housing Trust Funds (HTF)  |  |                  |  |
| <input type="checkbox"/> NE Affordable Housing Trust Funds (NAHTF) <input type="checkbox"/> QCT Affordable Housing Program   |  |                  |  |
| <input type="checkbox"/> Rural Workforce Housing Land Development Program <input type="checkbox"/> Pandemic Relief Housing Program   |  |                  |  |
| <b>PROJECT OVERVIEW</b><br><br><b>Project activities include</b> <i>(check all that apply):</i><br><br><input type="checkbox"/> acquisition<br><input type="checkbox"/> rehabilitation<br><input type="checkbox"/> new construction<br><input type="checkbox"/> demolition<br><input type="checkbox"/> site improvements including infrastructure (i.e., roads, lights, turn lanes, etc.)<br><input type="checkbox"/> lot development only<br><input type="checkbox"/> Other: _____<br><br><b>Types of units to be served</b> <i>(check all that apply):</i><br><br><input type="checkbox"/> single family<br><input type="checkbox"/> rental<br><input type="checkbox"/> multi-family<br><input type="checkbox"/> homebuyer<br><input type="checkbox"/> townhouses (e.g., duplex, 3-plex)<br><input type="checkbox"/> elderly | <b>PROPOSED DED REQUEST</b>                                    | \$               |  |
|  | <b>PROPOSED TOTAL PROJECT COST:</b>                            | \$               |  |
|  | <b>NUMBER OF UNITS PROPOSED</b>                                |                  |  |
|  | <b>NUMBER OF BUILDINGS PROPOSED</b>                            |                  |  |
|  |  |                  |  |
|  | <b>DESCRIPTION OF ALL ACTIVITIES PROPOSED FOR THE PROJECT:</b> |                  |  |
|  |  |                  |  |

- special needs / homeless
- secure building only
- Other: \_\_\_\_\_

**Part B-1. Proposed Site Information**

**Property Physical Address and/or Parcel Number of Site proposed for the project:** \_\_\_\_\_

**Census Tract** (QCT AHP, Pandemic Relief Housing Program and CDBG-DR only): \_\_\_\_\_

**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—Required for CDBG-DR only**

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

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).

In addition, a Determination of Level of Review form must be completed and submitted. Upon approval of DLR by DED then a complete ERR review will need to be conducted and approved prior to a contact.

For National Housing Trust Funds (HTF) Projects please refer to the following link for guidance:

<https://www.hudexchange.info/resource/5121/notice-and-16-14-requirements-for-housing-trust-fund-environmental>

### Part B-3. Environmental Review Record and Process & Determination of Level of Review (HOME/CDBG-DR Only)

Project Name: \_\_\_\_\_ Program Year: \_\_ Project \_\_\_\_\_

Location: \_\_\_\_\_

Project Description:

\_\_\_\_\_

*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)( \_\_\_\_\_ )
- 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.

### 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, if applicable.

**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.

**Exhibit F:** Legal Description of project site. Include parcel number and/or legal physical address.

### 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**  
**Public Hearing Documentation**

**INSTRUCTIONS:** A public hearing is required as part of the joint application process. Please use the template on the following page in creating the official notice. 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 23<sup>rd</sup> and 24<sup>th</sup> 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 11**  
**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 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 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 eligible entity].

## EXHIBIT 12

### 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 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 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.
4. Applicant must have addressed and cleared all compliance problems, if any, from past awards and have had responses accepted by DED.
5. Applicant is current with all reporting requirements: For example, semi-annual project status reports, closeout reports, program income reports, audit reports, notifications of annual audit reports, etc.
6. Applicant has met or exceeded contract milestones including but not limited to:
  - a. Applicant with contracts in their twenty-fourth (24<sup>th</sup>) month or greater must be one hundred percent (100%) complete with the Scope of Work, and HOME funds 100% expended or de-obligated.
  - b. Applicants and any member of the project team, including developers, consultants, non-profits or housing agencies that were approved for projects from the 2023 and prior NIFA/DED Joint Application (HOME Program Year 2022 and prior) must have closed award funding contract (release of funds) or greater to apply for HOME and CDBG-DR funds in the 2024-25 NIFA/DED Joint LIHTC application (HOME Program Year 2023).

##### FEDERAL COMPLIANCE CERTIFICATIONS

1. 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.
2. 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.
  - d. 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).
  - e. 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

3. 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.

4. 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.

Signed \_\_\_\_\_  
(Authorized Signer)

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Subscribed in my presence and sworn to before me:*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Notary Public (Not required if on letterhead)

**EXHIBIT 13**  
**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 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 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 Eligible Entity] will make public and submit to OED 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 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 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 \_\_\_\_\_  
(Authorized Signer)

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Subscribed in my presence and sworn to before me:*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Notary Public (Not required if on letterhead)

**EXHIBIT 14**  
**APPLICANT CERTIFICATION FORM FOR NON-PROFITS AND HOUSING AUTHORITIES ONLY**

(FOR- PROFIT DEVELOPERS DO NOT COMPLETE THIS EXHIBIT)

*(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 \_\_\_\_\_  
(Authorized Signer)

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Subscribed in my presence and sworn to before me:*

\_\_\_\_\_  
\_\_\_\_\_

Notary Public (Not required if on letterhead)

**EXHIBIT 15**  
**AUTHORIZING BOARD RESOLUTION FOR NON-PROFITS AND HOUSING AUTHORITIES ONLY**

(FOR- PROFIT DEVELOPERS DO NOT COMPLETE THIS EXHIBIT)

*(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 \_\_\_\_\_

(Authorized Signer)

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Subscribed in my presence and sworn to before me:*

\_\_\_\_\_

\_\_\_\_\_

Notary Public (Not required if on letterhead)

EXHIBIT 16

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  (e.g. City HOME funds or ARPA Funding.) (If no additional financial governmental assistance, please check box )
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 OED approval of the project to proceed, and/or significant delay of pending Requests for OED 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 \_\_\_\_\_  
(Authorized Signer)

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

*Subscribed in my presence and sworn to before me:*

---

Notary Public (Not required if on letterhead)

## EXHIBIT 17

### System for Award Management Documentation

**DESCRIPTION:** The submission of the System for Award Management (SAM) documentation is required for all CDBG/HOME/HTF applicants and associated entities.

**DOCUMENTATION REQUIRED FOR SUBMISSION INCLUDES:**

- 1) Entity Registration
- 2) Exclusion Status

To view Entity Registration and Exclusion Status visit: <https://sam.gov/content/entity-information>

**For applications that involve additional entities:**

- For-Profit Entity: *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 entity 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.*



**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)/(singlefamily-) 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. State if those approvals can be obtained within 180 days of the LIHTC and AHTC Conditional Reservation.

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 (Operating, Rent-up, Replacement, etc.):

*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 (Operating, Rent-up, Replacement, etc.):

*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)

**Exhibit 111 can be found on the NIFA website.**

**Complete all yellow-shaded areas.**

[Exhibit 111](#)

**UNIT INFORMATION**  
(Complete the yellow-shaded areas)

| # of bedrooms 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<br>(complete if making the IA election) |
|---|------------|--|---------------|---------------------|-----------------------------|--------------------------|---------------------------|------------------------|--|
| <b>LIHTC/AHTC UNITS (Do not include HOME-Assisted Units)</b>        |            |  |               |                     |                             |                          |                           |                        |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
| Sub-total   | 0          |  | 0             |                     | Sub-total                   |                          |                           | \$ -                   |  |
| <b>HOME/HTF-ASSISTED UNITS (May also be designated LIHTC Units)</b> |            |  |               |                     |                             |                          |                           |                        |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
| Sub-total   | 0          |  | 0             |                     | Sub-total                   |                          |                           | \$ -                   |  |
| <b>MARKET RATE UNITS ONLY</b>                                       |            |  |               |                     |                             |                          |                           |                        |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
|   |            |  | 0             |                     | \$ -                        | \$ -                     | \$ -                      | \$ -                   |  |
| Subtotal  | 0          |  | 0             |                     | Sub-total                   |                          |                           | \$ -                   |  |
| <b>Total</b>  | <b>0</b>   |  | <b>0</b>      |                     |                             |                          |                           | <b>\$ -</b>            |  |

|                              |       |     |
|------------------------------|-------|-----|
| LIHTC/AHTC Units             | _____ | \$0 |
| HOME-Assisted Units          | _____ | \$0 |
| Market Rate Units            | _____ | \$0 |
| Total Net Monthly Rent:      | _____ | \$0 |
| Minus 7% Vacancy             | _____ | \$0 |
| Adjusted Net Monthly Rent:   | _____ | \$0 |
| Other Monthly Income         | _____ | \$0 |
| 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. If the square footage is already included in the residential square footage as a bathroom or bedroom closet, do not breakout the square footage below for storm shelter.

| Square Footage Summary                |   |
|---------------------------------------|---|
| Total LIHTC Residential Living Space  | 0 |
| Total Market Residential Living Space | 0 |
| Garage                                |   |
| Storage Areas                         |   |
| Unfinished Basement                   |   |
| Total Square Footage of Buildings     | 0 |

## Average Income - 2023 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 |     |     |     |     |       |     | % OF AMI       | AVERAGE AMGI |
|------------------------------------|-----|-----|-----|-----|-------|-----|----------------|--------------|
| Studio                             | 1BR | 2BR | 3BR | 4BR | Total |     |                |              |
| -                                  | -   | -   | -   | -   | -     | 20% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 30% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 40% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 50% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 60% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 70% | 0.00%          |              |
| -                                  | -   | -   | -   | -   | -     | 80% | 0.00%          |              |
|                                    |     |     |     |     |       |     | <b>#DIV/0!</b> |              |

**Bond Test**

40/60 Test      #DIV/0!  
 20/50 Test      #DIV/0!

### Determination of Income and Rent

Select County

County: Wayne County, NE

4 Person @ VLI (50%)      43,950

|               | 20%    | 30%    | 40%    | 50%    | 60%    | 70%    | 80%    | 140%    |      |
|---------------|--------|--------|--------|--------|--------|--------|--------|---------|------|
| <b>Income</b> |        |        |        |        |        |        |        |         |      |
| 1 Person      | 12,320 | 18,480 | 24,640 | 30,800 | 36,960 | 43,120 | 49,280 | 86,240  | 0.70 |
| 2 Person      | 14,080 | 21,120 | 28,160 | 35,200 | 42,240 | 49,280 | 56,320 | 98,560  | 0.80 |
| 3 Person      | 15,840 | 23,760 | 31,680 | 39,600 | 47,520 | 55,440 | 63,360 | 110,880 | 0.90 |
| 4 Person      | 17,580 | 26,370 | 35,160 | 43,950 | 52,740 | 61,530 | 70,320 | 123,060 | 1.00 |
| 5 Person      | 19,000 | 28,500 | 38,000 | 47,500 | 57,000 | 66,500 | 76,000 | 133,000 | 1.08 |
| 6 Person      | 20,400 | 30,600 | 40,800 | 51,000 | 61,200 | 71,400 | 81,600 | 142,800 | 1.16 |
| 7 Person      | 21,800 | 32,700 | 43,600 | 54,500 | 65,400 | 76,300 | 87,200 | 152,600 | 1.24 |
| 8 Person      | 23,220 | 34,830 | 46,440 | 58,050 | 69,660 | 81,270 | 92,880 | 162,540 | 1.32 |
| <b>Rent</b>   |        |        |        |        |        |        |        |         |      |
| Efficiency    | 308    | 462    | 616    | 770    | 924    | 1,078  | 1,232  |         |      |
| 1 Bedroom     | 330    | 495    | 660    | 825    | 990    | 1,155  | 1,320  |         |      |
| 2 Bedroom     | 396    | 594    | 792    | 990    | 1,188  | 1,386  | 1,584  |         |      |
| 3 Bedroom     | 457    | 685    | 914    | 1,143  | 1,371  | 1,600  | 1,829  |         |      |
| 4 Bedroom     | 510    | 765    | 1,020  | 1,275  | 1,530  | 1,785  | 2,040  |         |      |
| 5 Bedroom     | 562    | 844    | 1,125  | 1,406  | 1,688  | 1,969  | 2,251  |         |      |

## %-of-AMI-served calculation

Project Name:

County:

|              | <u>Bedroom size</u> | <u>No. of Units</u> | <u>% of<br/>Total units</u> | <u>Current<br/>Gross Rent</u>   | <u>60% Rent<br/>Limit</u> | <u>AMI %<br/>served</u> | <u>Weighted<br/>portion</u> |
|--------------|---------------------|---------------------|-----------------------------|---------------------------------|---------------------------|-------------------------|-----------------------------|
|              |                     |                     | 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%                       |
|              |                     |                     | 0.00%                       |                                 |                           | 0.00%                   | 0.00%                       |
|              |                     |                     | 0.00%                       |                                 |                           | 0.00%                   | 0.00%                       |
| <b>Total</b> | -                   | 0                   | 0.00%                       | -                               | -                         | -                       | -                           |
|              |                     |                     |                             | <b>Overall % of AMI served:</b> |                           | <b>0.00%</b>            |                             |

**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.



### 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): |             |
|                            |             |
| <b>Sub-total</b>           | <b>\$ -</b> |

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): |             |
|                            |             |
| <b>Sub-total</b>           | <b>\$ -</b> |

Maintenance Expenses:

|                            |             |
|----------------------------|-------------|
| Painting & Repairs         |             |
| Exterminating              |             |
| Grounds/Landscape          |             |
| Elevator                   |             |
| Internet Maintenance Costs |             |
| Other (please list below): |             |
|                            |             |
| <b>Sub-total</b>           | <b>\$ -</b> |

Other Expenses:

|  |  |
|--|--|
| Insurance  |  |
| Real Estate Taxes (estimated value x mill levy rate) |  |
| Annual Commercial Space Expenses                     |  |
| Other (please list below):                           |  |
|  |  |

|   |             |
|---|-------------|
| <b>Sub-total</b>  | <b>\$ -</b> |
| <b>TOTAL ANNUAL EXPENSES:</b>   | <b>\$ -</b> |
| 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) |             |
| <b>TOTAL ANNUAL EXPENSES + RESERVES</b>   | <b>\$ -</b> |
| <b>NET ANNUAL CASH FLOW FROM OPERATIONS</b>   |             |
| Net Monthly Income  | \$ -        |
| Annual Income   | \$ -        |
| Less:   |             |
| Total Operating Expense   | \$ -        |
| Replacement Reserves  | \$ -        |
| Net Operating Income  | \$ -        |
| Less:   |             |
| Annual Debt Service (from 20-year Proforma)   | \$ -        |
| 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:                              | \$ -                              | \$ -                    | \$ -   | \$ -                                 | \$ -   |
| Other:                              | \$ -                              | \$ -                    | \$ -   | \$ -                                 | \$ -   |
| <b>Total Residential Costs:</b>     | <b>\$ -</b>                       | <b>\$ -</b>             | <b>\$ -</b>                                      | <b>\$ -</b>                          | <b>\$ -</b>  |
| <b>Total Commercial Space Costs</b> | <b>\$ -</b>                       |                         |  |                                      |  |

\*Bridge Loan Expense - eligible basis for construction period only.

**DEVELOPMENT COST SCHEDULE CONT.**

|   | Total Residential Costs | 4% LIHTC Eligible Basis | 4% or 9% LIHTC New Constr./Rehab. Eligible Basis |
|---|-------------------------|-------------------------|--|
| From Previous Page  | \$ -                    | \$ -                    | \$ -   |
| <b>Deduct from Basis:</b>   |                         |                         |  |
| Grant Proceeds  | \$ -                    | \$ -                    | \$ -   |
| Non-qualified, Non-recourse Financing   | \$ -                    | \$ -                    | \$ -   |
| Non-qualified Portion of Higher Quality Units<br>(IRC Section 42(d)(3))                         | \$ -                    | \$ -                    | \$ -   |
| Historic Tax Credits  | \$ -                    | \$ -                    | \$ -   |
| Over Architect/Engineering Fee Limit  | \$ -                    | \$ -                    | \$ -   |
| Over Developer/Contractor Fee Limit   | \$ -                    | \$ -                    | \$ -   |
| <b>Total Eligible Basis</b>   | \$ -                    | \$ -                    | \$ -   |
| <b>Multiplied by the Applicable Fraction</b>  |                         | 100.0000%               | 100.0000%  |
| <b>Total Adjusted Eligible Basis</b>  | \$ -                    | \$ -                    | \$ -   |
| <b>Add to Eligible Basis:</b>   |                         |                         |  |
| Project Located in Qualified Census Tract (QCT) x 130%<br>or Basis Boost Requested (up to 130%) |                         |                         | 100%   |
| <b>Total Qualified Basis</b>  | \$ -                    | \$ -                    | \$ -   |
| <b>Multiplied by the Applicable Percentage</b>  |                         | 4.00%                   | 9.00%  |
| <b>Maximum Allowed LIHTC Request*</b>   | \$ -                    | \$ -                    | \$ -   |

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

0

### SOURCES & USES: EQUITY GAP INFORMATION

(Complete the yellow-shaded areas)

#### USES

|                                 |           |          |
|---------------------------------|-----------|----------|
| Total Development Costs         | \$        | -        |
| Other Uses (please list below): |           |          |
|                                 | \$        | -        |
|                                 | \$        | -        |
| <b>Total Uses</b>               | <b>\$</b> | <b>-</b> |

#### 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):      |           |          |
|   | \$        | -        |
|   | \$        | -        |
| <b>Total Sources</b>                    | <b>\$</b> | <b>-</b> |

#### Equity Gap

|   |           |          |
|---|-----------|----------|
| Total Uses  | \$        | -        |
| Less Total Sources  | \$        | -        |
| Funding Shortfall   | \$        | -        |
| Divided by 10-year LIHTC Period   |           | 10       |
| LIHTC Equity Required   | \$        | -        |
| Divided by Net Equity Factor  | \$        | 0.8500   |
| <small>(Current dollar yield of net syndication proceeds per dollar of LIHTC)</small> |           |          |
| <b>Annual LIHTC Required</b>  | <b>\$</b> | <b>-</b> |

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     |           |
|-------------------------|-----------|
| Total development cost* |           |
| Applicable Fraction     | 100.0000% |
| Adjusted Eligible basis | \$ -      |
| Annual LIHTC Request    | \$ -      |
| LIHTC Units             | 0         |
| LIHTC Square Footage    | 0         |

\*Total development cost - land - reserves - NIFA fees

**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)

Table with columns: Revenue Escalation, 2%, Per Month, Year 1-20. Rows: Gross Rents, Vacancy, Other Income, Total Income.

Table with columns: Expense Escalation, 3%, Per Month, Year 1-20. Rows: General and/or Administrative Expenses, NIFA Annual LIHTC Compliance Fee, NIFA Annual AHTC Compliance Fee, Operating Expenses, Maintenance Expenses, Other Expenses, Total Operating Expenses.

Table with columns: Replacement Reserves, Annual Amount per unit, Annual Escalation of Reserves.

Table with columns: Net Operating Income (NOI).

Table with columns: Debt Information, Amount, Rate, Term, Monthly Debt Service. Rows: Conventional Loan, HOME Funds, Second Mortgage, Other (please list below), Total Debt Service.

Table with columns: Net Cash Flow.

Table with columns: Debt Service Coverage Ratio, #DIV/0! (repeated 20 times).

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/\\_fn/HOME%20HTF-Cost-Allocation-Tool%20May%202020.xlsx](https://cms.proteus.co/_resources/dyn/files/76868627z1a2bad1f/_fn/HOME%20HTF-Cost-Allocation-Tool%20May%202020.xlsx)

Please use the following link to access the CDBG-DR Tool:

[https://opportunity.nebraska.gov/program/cdbg\\_dr/#housing-construction](https://opportunity.nebraska.gov/program/cdbg_dr/#housing-construction)





## 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 the 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. If applying for HOME/CDBG-DR/HTF, the market study must clearly state and support the absorption of units within 18 months of completion of the development.
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 (2) 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 (2) 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 (2) 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: [Development 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").<sup>1</sup> 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.

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<sup>1</sup> 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.

### **Opinion**

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 “**Partnership Certification**”), and the Seller’s Certification as to Ten-Year Ownership dated **[DATE]** (the “**Seller’s Certification**”), 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 (Operating, Rent-up, Replacement, etc.):

*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 and AHTC 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 COMMITMENT**

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 (7) 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 commitment shall be recorded as part of the restrictive covenants and Land Use Restriction Agreement m("LURA") binding the Applicant, and its successors in ownership, to perform under this commitment during the effective period of the LURA.

For the Applicant: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Applicant: \_\_\_\_\_

**\_EXHIBIT 206**

TRACK RECORD OF APPLICANT AND OWNER

The track record of applicant and owner can be found on the NIFA website under the heading 2024/2025 Qualified Allocation Plan as [Exhibit 206](#).



## **EXHIBIT 207**

### TRACK RECORD OF PROPERTY MANAGEMENT COMPANY

The track record of property management company can be found on the NIFA website under the heading 2024/2025 Qualified Allocation Plan as [Exhibit 207](#).







**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.**

| <b>Supportive Service</b>                           | <b>Description</b>  | <b>Compliance Documentation</b>   |
|---|---|---|
| <b>Health</b>                                       |   |   |
| On-going Medical Alert/Emergency Response System    | MUST have active service for all units and 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<br>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.  |
| <b>Finance</b>  |   |  |
| Tenant Down Payment Savings Plan (CROWN developments s 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 separate 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. |
| Esusu – rent reporting service ( <a href="http://esusurent.com">esusurent.com</a> ) | Must subscribe to the service and maintain an annual service agreement.   | Provide copies of paid receipts. Provide an annual number of enrolled participants.  |
| Owner Paid Renter's Insurance for Tenant (yearly)                                   | Must describe the terms in the service agreement.   | Documentation of tenant acknowledging acceptance or declining renter's insurance. Provide copies of paid receipts.   |
| <b>Education, Counseling or Training</b>  |   |  |
| 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 Tax Preparation and assistance with e-filing | Must be provided annually during tax season and service agreement should include what will be offered.   | Provide marketing materials given to tenants and paid receipts, if applicable and provide number of participants annually.   |
| 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 | 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. |

|   |  |   |
|---|--|---|
|   | Housing Developers Association must be submitted.  |   |
| Community and Care  |  |   |
| Onsite Food Pantry  | Must describe the terms in the service agreement.<br><br>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.  |
| Resource and service referrals coordinated through <a href="http://Nebraska.findhelp.com">Nebraska.findhelp.com</a> | Must be provided to tenants throughout the year.   | Provide report for referrals made throughout the year.  |
| 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.<br><br>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 half of a point (0.5) 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 be 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.



# LOW-INCOME HOUSING TAX CREDITS



## 2024/2025 CRANE Guidelines and Application

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*



**2024/2025**  
**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 for profit 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 2024/2025 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 2024/2025 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.

| <i>Category Designation:</i>                              | <i>Category 4</i>                                      | <i>Category 3</i>  | <i>Category 2</i>  | <i>Category 1</i>  |
|---|--|--|--|--|
| <b>Definition:</b>  | Conceptual   | Feasible   | In Formation   | Ready, in all aspects, to proceed  |
| <b>Action Steps to be Completed prior to Designation:</b> | 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.<br><br>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 2024 and 2025, NIFA proposes to set-aside (a) up to 33% of Nebraska’s 2024 and 2025 Low Income Housing Tax Credit (“LIHTC”) and (b) up to 33% of Nebraska 2024 and 2025 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 not 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) and waive the right to qualified contract.

#### **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**

## **2024/2025 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 2024/2025 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](http://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](http://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, community resources, 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.

*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. All CRANE applications must select services equal to the maximum points available in the Supportive Service category of the 9% NIFA/NDED Application.
- 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 2024/2025 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



## 2024 Carryover Allocation Procedures Manual

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

# 2024 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, 2024 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, 2025.

## 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, 2024 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, 2025.

**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 and appraisal (if purchased from an interested party);
  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**

**2024 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 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, 2026; 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, 2025, a basis in the Development of at least ten percent (10%) of the reasonably expected basis in the Development as of December 31, 2026; 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 2024 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, 2026, 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 2024 carryover](#)

**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, 2026.
- 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



## 2025 Carryover Allocation Procedures Manual

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

# 2025 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 October 31, 2025 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, 2026.

## 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 October 31, 2025 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, 2026.

**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 and appraisal (if purchased from an interested party);
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**

## 2025 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, 2027; 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, 2026, a basis in the Development of at least ten percent (10%) of the reasonably expected basis in the Development as of December 31, 2027; 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, 2027, 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 2025 carryover](#)

## **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, 2027.
- 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



## 2024 Cost Certification Procedures Manual

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

# 2024 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 2024. For developments placing in service in 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 2024/2025 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.
- (b) Developments Placed in Service After Calendar Year 2024. For developments receiving a Firm Commitment during 2024 that will be placed in service after the end of the 2024 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, 2024. Such developments must be placed-in-service no later than December 31, 2026. 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 2024/2025 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, 2026.

## **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 Operating Expense Information and Permanent Financing certified by an independent, third-party certified public accountant, Attachments 4a and 4b 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 and provide list of units that are have been built to be visitable;
- (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 211 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 [nebraska.findhelp.com](http://nebraska.findhelp.com), the free state resource for renters and landlords.
  - (30) Confirmation of the first year the Owner plans to begin taking LIHTCs.
  - (31) 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:**

**[2024/2025 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 [REDACTED]  
NIFA LIHTC # [REDACTED]  
Development Owner Name [REDACTED]

To Whom It May Concern:

We have examined the costs included in the accompanying NIFA Final Cost Certification (the "Final Cost Certification") of [REDACTED] (the "Owner") for [REDACTED] (the "Development") as of [REDACTED], 20[REDACTED]. 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 [REDACTED] 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 **at least** \$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\_\_\_\_\_.



# LOW-INCOME HOUSING TAX CREDITS



## 2025 Cost Certification Procedures Manual

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

# 2025 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 2025. For developments placing in service in 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 2024/2025 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.
- (b) Developments Placed in Service After Calendar Year 2025. For developments receiving a Firm Commitment during 2025 that will be placed in service after the end of the 2025 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 October 31, 2025. Such developments must be placed-in-service no later than December 31, 2027. 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 2024/2025 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, 2027.

**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 Operating Expense Information and Permanent Financing certified by an independent, third-party certified public accountant, Attachments 4a and 4b 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 and provide list of units that are have been built to be visitable;
- (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 211 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 [Nebraska.findhelp.com](http://Nebraska.findhelp.com), the free state resource for renters and landlords.
  - (30) Confirmation of the first year the Owner plans to begin taking LIHTCS.
  - (31) 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:**

**[2024/2025 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 [REDACTED]  
NIFA LIHTC # [REDACTED]  
Development Owner Name [REDACTED]

To Whom It May Concern:

We have examined the costs included in the accompanying NIFA Final Cost Certification (the "Final Cost Certification") of [REDACTED] (the "Owner") for [REDACTED] (the "Development") as of [REDACTED], 20[REDACTED]. 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 [REDACTED] 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 at least \$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\_\_\_\_\_.



# LOW-INCOME HOUSING TAX CREDITS



## 2024/2025 Land Use Restriction Agreement

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*



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**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 administering 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 fulltime 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 fulltime 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 (1<sup>st</sup>) 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 Owner of the Project to deviate from the rent restrictions stated on the Summary Page applicable to the tenants in the Project because of improved market conditions or for any reason other than an increase in the area median income of the county in which the Project is located, 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 for a period of at least one year 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 Authority to the Land Use Restriction Agreement for Low Income Housing Tax Credits]*

THIS AGREEMENT 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: \_\_\_\_\_







**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

Term during which the Right of First Refusal may be exercised: \_\_\_\_\_ months

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:

[Senior Housing (55+ or 62+), CRANE Eligibility]

**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



# LOW-INCOME HOUSING TAX CREDITS



## 2024/2025 CROWN Land Use Restriction Agreement

### Our Mission

*Growing Nebraska communities through affordable housing and agribusiness.*

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**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:

[Senior Housing (55+ or 62+), CRANE Eligibility Details, percentage of visitable units]

**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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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”).

WITNESSETH:

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 C) as amended from time to time.

*"Property Manager"* means **the property manager for the Project as designated in the Property Management Agreement.**

*"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 as Attachment C to the Property Management Agreement. 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 administering 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 fulltime 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 fulltime 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 [Attachment 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 B).

(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<sup>1</sup>**

|   | <b>Year 15</b>                      | <b>Year 18</b>  |
|---|-------------------------------------|---|
| 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  | $\$80,000 - \$50,000 =$<br>\$30,000 | \$30,000  |
| Appreciation Equity   | \$0                                 | $\$90,000 - \$80,000 =$<br>\$10,000                               |
| Amount of CROWN Equity Allocable to Qualified Tenant                        |                                     | $(\$80,000 - \$50,000) =$<br>$\$30,000 \times 9/10 =$<br>\$27,000 |
| Amount of CROWN Equity Allocable to Authority                               |                                     | $\$30,000 - \$27,000 =$<br>\$3,000                                |
| Total of CROWN Equity and Appreciation Equity Allocable to Qualified Tenant |                                     | $\$27,000 + \$10,000 =$<br>\$37,000                               |

**Scenario II**

|   | <b>Year 15</b>                   | <b>Year 21</b>  |
|---|----------------------------------|---|
| 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                        |                                  | $(\$80,000 - \$50,000) = \$30,000$<br>$\times 10/10 = \$30,000$ |
| 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 Agreement 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 AGREEMENT 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: \_\_\_\_\_





**EXHIBIT A**

**DESCRIPTION OF PROJECT SITE**



**EXHIBIT B**

**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 C**

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**PROPERTY MANAGEMENT AND SUPPORTIVE SERVICES AGREEMENT**

between

[OWNER]

and

**[NAME]**

Dated as of [DATE]

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**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 Attachment 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 Attachment 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 Attachment C and in accordance with the Asset Management Plan (attached as Attachment 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 Attachment 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 Attachment E and by this reference made a part hereof (the "Maintenance Contract") and (iii) the form of Participation Contract attached hereto as Attachment 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 Attachment 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 apartment units 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 Attachments 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 Attachment 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 Attachment 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 \_\_\_\_\_

**ATTACHMENT A**  
**PROPERTY ADDRESSES**

**ATTACHMENT B**  
**ASSET MANAGEMENT PLAN**

## ATTACHMENT 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 Attachment 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.

**ATTACHMENT 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 Attachment 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 Attachment 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 [DESCRIBE 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 16<sup>th</sup> 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.

## **ATTACHMENT 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: \_\_\_\_\_

**ATTACHMENT 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**

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- 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.



[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.



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