The Nebraska Investment Finance Authority ("NIFA") is issuing a second round of Request for Proposals to identify communities in Nebraska that are interested in participating in an ongoing pilot program for the development and financing of newly constructed workforce housing. NIFA anticipates selecting approximately two to three communities to participate in a pilot program. Following successful pilot program implementation, NIFA intends to offer the program, on a competitive basis, for developments within the incorporated towns\villages in all counties in Nebraska, other than the metropolitan areas of Douglas, Lancaster, Sarpy, Saunders, and Washington.

Description of the Workforce Housing Initiative ("WHI") Pilot Program

The Workforce Housing Initiative ("WHI") Pilot Program is designed to be a cooperative effort between NIFA and non-metropolitan Nebraska communities to address the state’s need for workforce housing. With the creation by NIFA of the Nebraska Opportunity Fund ("NOF"), communities will have access to financing options designed to assist the development of newly constructed rental housing (either single family or duplex units) to serve households earning no greater than 150% of the annually adjusted statewide median income for a Nebraska family of four. (See Table 1.) For selected communities and their projects, the WHI Pilot Program will offer credit enhancement for permanent financing. This may include loan participations, cash collateral escrow accounts, loan guarantees, or combinations thereof as determined by NIFA to be necessary to assist in the financing of the proposed workforce housing project. Generally, the risk exposure to the WHI Pilot Program (and NIFA) will not exceed 80% of the lower of a project’s cost or appraised value (including amounts advanced, if any, for reserves). Financing commitments from the NOF will be priced at a risk-adjusted interest rate incremented by an inflation rate adjustor, servicing costs and an annual fee of .25% to 1.00% annually.

Community Eligibility and Participation - Local Support

Applicants eligible to respond to this Request for Proposals include Nebraska communities, for-profit entities, non-profit organizations or combinations thereof. An applicant must demonstrate to NIFA (in NIFA’s sole and absolute discretion), that the applicant (together with any project partners) has the capacity to construct, complete, own and manage the proposed workforce housing project. The applicant will be required to comply with the terms and conditions as generally described herein as well as additional terms and conditions specifically required for the individual project. A Land Use Restriction Agreement (LURA) will be executed and recorded on the WHI properties to evidence the WHI Pilot Program terms and conditions.
The WHI Pilot Program will not offer construction loan financing or guarantees in connection with the construction of the project.

To be eligible for consideration for the WHI Pilot Program, the applicant and its identified participants must demonstrate to NIFA the existence of “local financial support” for the workforce housing development. This support must essentially equal at least 20% of the lesser of the total cost of the project (e.g., construction costs, ownership costs, operating costs and investment risks) or appraised value as approved by NIFA. Local financial support may include, but is not limited to the following:

- Construction financing
- Permanent financing participation
- In-kind contributions: i.e. land/lots, infrastructure
- Local employer participation
  - Rent guarantee(s) – i.e. number of units; rent or rent subsidy; coverage of vacancy losses
  - Operating expense shortfall guarantees and deposits
- Other contributions or guarantees acceptable to NIFA

Additionally, NIFA encourages the support of other parties in the communities, including, but not limited to, the following:

- organizations interested in dedicated supportive housing units, of equivalent design, simultaneously constructed on property contiguous to the WHI workforce housing units.
- local employers in need of housing for their employees
- Banks, financial institutions, and community foundations

Covenant Terms

The applicant and its partners (collectively, the “Participant”) shall propose an appropriate legal entity (the “Owner”) to own, manage, and maintain the workforce housing units financed through the WHI Pilot Program. Units shall be rented by the Owner in compliance with all agreements and covenants established by NIFA (including, but not limited to, tenant income and eligibility requirements) for up to ten (10) years from the date of certificate of occupancy (the “set-aside period”). An exit protocol shall be negotiated with NIFA, the Participant and the Owner as a condition to participation in the WHI Pilot Program and may include requirements for extensions, “rent-to-own” purchases
by tenants or other options or conditions applicable to the units to ensure that the units continue to qualify as workforce housing for the term of the set-aside period.

General WHI Pilot Program Parameters

- The Participant must submit a current Market Study for the proposed community, prepared by a third party (acceptable to NIFA) within the last 12 months that evidences, to NIFA’s satisfaction, the demand for the units as proposed and the economic feasibility of the proposed project. Market Studies prepared between 12 – 24 months of the preliminary application will be acceptable if updated by the Participant with information from the NIFA Profile database and local records. A revised market study will be required with the final application submission for selected Participants.
- The WHI project must include the new construction of at least four (4) dwelling units and may include up to twelve (12) dwelling units ("dwelling units") with a single family or duplex design.
- There shall be no more than two dwelling units in any one structure and each unit must be designed and constructed to be conveyable separately by deed and pursuant to the requirements of NIFA’s Homeownership Program.
- The WHI project must be constructed within 24 months from the date of the final WHI agreement with NIFA.
- The proposed project must “pro forma” to operate on a minimum 1:1.15 Debt Service Coverage Ratio (“DSCR”) with reserves acceptable to NIFA.
- Construction contracts shall be on a negotiated “cost plus fixed fee” basis

Tenant Eligibility Requirements

Tenants of the residences financed with assistance provided by the WHI Pilot Program must meet certain NIFA prescribed requirements. These include, but are not limited to the following:

- The household income of the family occupying the unit must not exceed 150% of the Nebraska state-wide area median income for a family of four. (See Table 1)
- The household income of the tenant family shall be determined prior to occupancy. Tenants whose income exceeds 150% of the Nebraska state-wide area median income for a family of four post-occupancy will not be displaced for that reason.
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- Unrelated individuals, living in a single unit and in compliance with local occupancy requirements, are eligible provided the combined incomes of those over the age of 19 living in the unit do not exceed the 150% of the statewide median income for a family of four.
- The WHI units may not be used as dormitories or group homes.
- Screening of all rental applicants will follow a standard Tenant Selection Policy that includes a background check of credit, court records, employment\income, and references.

Property Standards

All WHI units must meet or exceed the property standards and conditions set forth below:

- 1,150 to 1,800 square feet (depending on number of bedrooms) per unit
- Minimum of three bedrooms and 1 -1/2 baths in each unit (Waivers may be requested and will be considered on a case-by-case basis)
- Meet the following Required Building 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.
- Must have landscaped front yards and common areas managed under a single maintenance agreement
- A property manager (acceptable to NIFA) must be engaged to manage all dwelling units
- The various covenants and conditions with respect to a Dwelling Unit will be evidenced in a Land Use Restriction Agreement filed on the property
- If appropriate, the project should be designed to allow for the future implementation of a post-rental Homeownership Association

Additional WHI Pilot Project Selection Criteria

In addition to agreement and compliance with the program terms and conditions identified above, NIFA will evaluate and select applicants for participation in the WHI Pilot Program based upon the following additional criteria (in NIFA’s sole and absolute discretion). NIFA reserves the right to change the terms and conditions of the WHI Pilot Program.
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- Qualifications, experience and track record of the applicant, proposed participants and eventual owner of the project
- Cost estimate and pro forma
- Buildability/suitability of the proposed housing with respect to accepted “Place Making” guidelines, such as:
  - Access and Linkages – walkability and relation to surrounding community
  - Comfort and Image – characteristics of design and integration with surrounding community
  - Sociability – Common areas and interactive uses

For more information, see http://www.pps.org/reference/what_is_placemaking/

- Local participation (i.e. employer(s), local government, Housing Authority, local community organizations, financial institutions and foundations)
- Community Support \ Prior Experience and Performance
  For example:
  - NDED - Certified Economic Development Community
  - NDED - Certified Leadership Community Program
  - Recent community-sponsored projects
- Project “Readiness to proceed”
- Amount of local investment as a percentage of total project cost
- Leveraging of NIFA’s financial resources
- Characteristics of project application and location that will, in NIFA’s sole discretion, facilitate the development of the WHI Pilot Program design
Application Process:

Submittal Deadline: Proposals must be received in the offices of NIFA (hard copy or email) no later than 5:00 p.m. on January 16, 2017.

Submittals may be emailed to: robin.ambroz@nifa.org or mailed to: NIFA, 200 Commerce Court, 1230 “O” Street, Lincoln, NE 68508, Attention: Robin Ambroz.

Application questions may be submitted to: Robin Ambroz at robin.ambroz@nifa.org \ 402-434-3900 or Garry Clark at garry.clark@nifa.org \ 402-898-2502.
Preliminary applications will outline a proposal that may be selected as a finalist to proceed. As the initial step in developing a WHI Pilot Program RFP submittal, please address the following questions (attach any supporting documentation, such as plats, maps, drawings, market study, letters of support, interest, and/or commitment from local government, individuals, organizations, employers, etc.):

1. Describe the workforce (e.g., individuals, families, expected income levels) for which housing is needed and not otherwise available in your community.

2. Describe the process used and provide documentation of the determination of the community’s need for workforce housing.

3. Proposed Project (mix) Unit identification:

<table>
<thead>
<tr>
<th>Type</th>
<th># of Units</th>
<th>Sq. Ft.</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Max Mo. Rent ($)</th>
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<tbody>
<tr>
<td>Single Family Rental Unit</td>
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<tr>
<td>Duplex Rental</td>
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</table>

4. Identify the “lead” organization in the discussion and planning for the community in the development of the workforce housing project?

<table>
<thead>
<tr>
<th>Entity</th>
<th>Contact Info.</th>
<th>Describe Indicated Interest</th>
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</table>
5. Identify other organizations that will participate in the development of the WHI project:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Describe Proposed Participation</th>
<th>Contact Lead</th>
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</table>

6. What type of “local government support” (financial and/or in-kind) is proposed? Please list, for example, resources such as TIF, the contribution of land/lots owned by the community, infrastructure contribution, and other potential financial sources/contributions, such as LB 840 receipts.

<table>
<thead>
<tr>
<th>Source</th>
<th>Description/Type</th>
<th>Approx. $ Value</th>
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7. Are any of the local community foundations or private foundations willing to contribute funds in connection with developing the WHI project? Please list any such organizations, contact information and level of commitment

<table>
<thead>
<tr>
<th>Name</th>
<th>Contact Info.</th>
<th>Describe Indicated Interest</th>
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8. Are there local employers who have been contacted and who have expressed an interest in participating in the WHI project? Please list each potential partner, contact information and whether specific types of financial involvement has been discussed with each.
9. Are there local banks that have been contacted and that have expressed an interest in participating in the development of workforce housing? Please list each potential partner, contact information and whether specific types of financial involvement has been discussed with each.

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Contact Info.</th>
<th>Describe any participation discussion (i.e. construction/perm)</th>
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10. Are there suitable lots available (proper zoning, existing infrastructure, adequate size/configuration) for the project? Yes___ No ____ Please attach a location map with the proposed site identified.

Please elaborate on the current ownership, zoning, availability of utilities, and condition and location of the land/lots.

11. Are there builders or construction companies in or near your community that would be available for the construction of workforce housing?

12. Identify and describe the proposed Ownership Entity for the project:
13. Attach preliminary development and operating budgets. (Please use spreadsheet provided in Exhibit A)

14. What type of financial support is the applicant seeking from NIFA in connection with the permanent financing of the project?

________________________________________________________________________

________________________________________________________________________

15. Aside from a strong rental demand, what 3 elements (physical or programmatic) make your proposal most appropriate for the WHI Pilot Program?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
Applicant Acknowledgement:

The foregoing WHI Pilot Project RFP submittal has been completed by the following:

Community/Organization: ________________________________

Signature: ____________________________________________

Print Name: ___________________________________________

Title: _________________________________________________

Address: _____________________________________________

Phone: _______________________________________________

e-mail address: _________________________________________
Table 1

<table>
<thead>
<tr>
<th>NE Median Family Income for Family of Four 2015</th>
<th></th>
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<tbody>
<tr>
<td>(Source: 2015 ACS 1-Year Estimate)</td>
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<tr>
<td><strong>Median</strong></td>
<td><strong>150 % AMI</strong></td>
</tr>
<tr>
<td>$82,676</td>
<td>$124,014</td>
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</tbody>
</table>
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Exhibit A

Please click on the following link:

Exhibit A Final Nov 2016 v2.xlsx