

**NEBRASKA INVESTMENT FINANCE AUTHORITY
URBAN WORKFORCE HOUSING MATCH (NUW-HOM)
PROGRAM GUIDELINES
(March 2021)**

Purpose

Funds awarded from the Nebraska Investment Finance Authority (NIFA) Urban Workforce Housing Match (“NUW-HOM”) Program shall be used for the development, production, implementation and financing of owner-occupied Workforce Housing in accordance with the Nebraska Department of Economic Development’s Middle Income Workforce Housing Investment Fund (“MWHF”) program and these NUW-HOM Program Guidelines (“Guidelines”). For purposes of the NUW-HOM, “Workforce Housing” shall mean owner-occupied housing that meets the requirements of these Guidelines and as described in Unicameral Bill 866 (2020) (“LB 866”), Neb. Rev. Stat. §81-1235 to §81-1243.

Eligible Recipients

Eligible recipients (“Eligible Recipients”) of NUW-HOM (which shall be in the form of a grant from NIFA) are non-profit development organizations that are authorized to submit an application for the MWHF. An Eligible Recipient must receive an award of funds from the MWHF to be eligible for an award of NUW-HOM. Priority for NUW-HOM grants will be given to those applications which demonstrate significant collaboration with, and financial support from, private for-profit parties, private non-profit organizations and foundations and local governmental entities.

Allocation Limits

The maximum amount of a NUW-HOM award is \$1,000,000 per Eligible Recipient per NUW-HOM application cycle.

NIFA will not provide NUW-HOM in excess of 33% of the total amount of funds proposed to be deployed by the Eligible Recipient in its application for funds submitted to the MWHF. NUW-HOM must be used by the Eligible Recipient for eligible public purposes as provided in the Nebraska Investment Finance Authority Act (the “NIFA Act”) and these Guidelines. This includes evidence that the portion of the units financed with NUW-HOM shall be for the benefit of individuals and families whose household income does not exceed Moderate Income as defined in these Guidelines.

Eligible Use of NUW-HOM

NUW-HOM may not be used by the Eligible Recipient to make direct or indirect grants. NUW-HOM shall be used by the Eligible Recipient for financing structures that create a “revolving fund,” requiring that NUW-HOM funds used for a particular Workforce Housing project be repaid, with interest, to the Eligible Recipient throughout the NUW-HOM

Program. This will enable the Eligible Recipient to continually use the funds for purposes of Workforce Housing.

For NUW-HOM funds deposited into a local workforce housing investment fund or used to make direct loans for Workforce Housing, the Eligible Recipient shall earn a rate of return on such funds at least equal to the current rate of inflation.¹ NUW-HOM funds returned to the Eligible Recipient must continue to be used in accordance with these Guidelines for a minimum of ten (10) years from the date the NUW-HOM funds are first used for Workforce Housing. Any future use of NUW-HOM Funds after 10 years shall be approved in writing by NIFA.

NUW-HOM may be used by the Eligible Recipient for the following in connection with the development and financing of Workforce Housing:

- permanent loans for the purchase or rehabilitation of structures
- second mortgage loans
- direct loans for lot development or construction of homes designed for owner-occupancy
- standby or conditional “take-outs” of loans for homes designed for owner-occupancy
- loan guarantees by the Eligible Recipient or an investment fund established for the benefit of the Eligible Recipient
- leveraging of loans or other contractual obligations consistent with the NIFA Act and these Guidelines in conjunction with other participating parties (e.g., participations in loans/guarantees)
- such other purposes, approved in advance and in writing by NIFA, that comply with the provisions of LB 866, these Guidelines and the NIFA Act.

NUW-HOM Program Requirements

1. ***Eligible Activities.*** NUW-HOM may be used by the Eligible Recipient in connection with the MWHF to develop Workforce Housing units designed for owner-occupants to be located or carried out in a Qualified Census Tract (QCT) as described in 26 U.S.C. 42(d)(5)(b) in a community in **Douglas, Lancaster or Sarpy county only** (the “Eligible Counties”). The HUD map of QCTs is available here: https://www.huduser.gov/portal/sadda/sadda_qct.html and a list of the QCTs can be found in Appendix A. The NUW-HOM housing units may not be financed with any of the following resources: National Housing Trust Funds, Federal Low-Income Housing Tax Credits, Nebraska Affordable Housing Tax Credits, Community Development Block Grant funds, HOME Investment Partnerships Program funds, or Nebraska Affordable Housing Trust Funds.

¹ The “rate of inflation” used by the Eligible Recipient shall be the current inflation rate for the United States as published by the U.S. Labor Department.

The NUW-HOM Program is designed to encourage ongoing and continual investment in Workforce Housing. The NUW-HOM eligible activities include the following located or to be located in a QCT in an Eligible County:

- a) New construction of owner-occupied housing in a neighborhood and community with a demonstrated need for housing that is affordable and attractive to first time homebuyers, middle-income families, and the emerging workforce;
 - b) Substantial repair or rehabilitation of dilapidated housing stock for homeowners or homebuyers, for which the cost to rehabilitate exceeds fifty percent (50%) of the unit's assessed value;
 - c) Upper story housing development for occupation by a homeowner; and
 - d) Rehabilitation that includes the conversion of an existing building into housing for occupancy by an owner-occupant.
2. **Housing Study / Need.** A comprehensive housing study for the area(s) in which the homes will be located or the programs carried out must be provided by the applicant and have been completed or updated within the last 5 years. A letter from the planning department of the city in which the NUW-HOM funds will be used may be submitted in lieu of a housing study stating that the development of Workforce Housing as proposed in the application for NUW-HOM is consistent and in conformance with city's most recent consolidated plan.
3. **Moderate Income Requirement.** The NUW-HOM, in accordance with the NIFA Act, must be used to provide Workforce Housing for persons and families whose household income does not exceed "Moderate Income." Moderate Income for the NUW-HOM Program has been determined by the NIFA Board to be a limit not to exceed 150% of the *American Community Surveys-Nebraska Statewide Median Family Income* for a family of four.²

NIFA will require that a percentage of the homes produced (such percentage to be based upon the percentage that the NUW-HOM bears to the total amount of the Eligible Recipient's Middle Income Workforce Housing Investment Fund and not to exceed 33%) be made available for purchase and occupancy by persons of Moderate Income.

Local Match. There must be a commitment of local community financial resources and support, from both the private and public sectors. Applicants are not required to have the matching funds on hand at the time of application for NUW-HOM. The applicant must provide documentation of the date, amount, and identify the source of the matching funds on hand and/or committed at the time of application. If the application for NUW-HOM is approved for funding, evidence of deposit of the

² Currently the *American Community Surveys-Nebraska Statewide Median Family Income* (2019) for a family of four (\$96,749) multiplied by 150% is \$145,123.50

matching funds must be provided before NUW-HOM funds are advanced to the Eligible Recipient.

4. ***Timeline.*** Any NUW-HOM funds not used by the Eligible Recipient within 24 months of the award by NIFA shall be returned to NIFA.

Application Process

Applications for the NUW-HOM must be submitted to NIFA via email to outreach@nifa.org by no later than 5:00 p.m. CST on May 12, 2021. The form of application is available at www.nifa.org.

NIFA anticipates making conditional awards of NUW-HOM funds by June 15, 2021. If funds remain after the first application process, NIFA will announce (on www.nifa.org) any subsequent application cycles.

Additional Information

Please contact Robin Ambroz at NIFA, 1230 'O' Street, Suite 200, Lincoln, NE 68508 or 800-204-6432 for questions.

APPENDIX A
ELIGIBLE CENSUS TRACTS

Douglas County, NE	3.00	4.00	6.00	7.00	8.00	11.00	12.00	16.00	19.00
	20.00	21.00	23.00	24.00	25.00	26.00	27.00	28.00	29.00
	30.00	31.00	32.00	33.00	38.00	39.00	40.00	42.00	43.00
	49.00	50.00	51.00	52.00	53.00	54.00	57.00	59.01	59.02
	60.00	61.01	61.02	63.02	63.03	64.00	65.06	66.03	68.06
	70.01	71.01	73.12	74.34					
Lancaster County	2.02	3.00	4.00	5.00	7.00	8.00	9.00	10.02	17.00
	18.00	19.00	20.01	20.02	21.00	27.01	30.02	31.03	33.01
Sarpy County, NE	103.05								