NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

Friday, February 21, 2020

9:00 a.m. NIFA Board of Directors Meeting
NIFA Conference Room – 2nd Floor of Commerce Court
1230 O Street, Suite 200, Lincoln NE

Non-Meeting Luncheon
The Nebraska Club
233 S 13th Street, Suite 2000, Lincoln NE

Notice Published: February 16, 2020 – Omaha World-Herald
February 16, 2020 – Lincoln Journal Star

AGENDA

Open Meetings Act – Copies of the Open Meetings Act are located on the table and posted
against the wall at the entrance to the room

1. Call Meeting to Order and Roll Call – 2 minutes
2. Approval of the January 24, 2020 NIFA Board of Directors Meeting Minutes – 2 minutes
3. Executive Director’s Report – 10 minutes
4. Public Comment related to the February 21, 2020 Agenda Items (comment period
limited to five minutes) – 5 minutes
5. Private Activity Cap Summary – 5 minutes

AGRICULTURAL FINANCE DIVISION

6. Report on Agricultural Program Regarding Loans Closed and the Following Applicants in
   Process – 10 minutes
Borrower: Brock A. Hinrichs
Purpose: Purchase 123.45 acres of farm real estate in Adams County, Nebraska
Proposed NIFA Loan/Bond Amount: $338,750
Proposed Interest Rate: 4.00% Fixed
(Bank's Conventional Interest Rate: 4.85% Fixed)
Proposed Bond Purchaser: Adams County Bank

Borrower: Brian and Kimberly Rust
Purpose: Modification of Prior Bond/Loan
Project Financed: 80 acres of farm real estate in Phelps County, Nebraska
Outstanding NIFA Loan/Bond Amount: $104,853.80
Proposed Modification: Change in interest rate index
Bond Holder: First Northeast Bank of Nebraska

Borrower: Brian and Kimberly Rust
Purpose: Modification of Prior Bond/Loan
Project Financed: 80 acres of farm real estate in Phelps County, Nebraska
Outstanding NIFA Loan/Bond Amount: $115,767.61
Proposed Modification: Change in interest rate index
Bond Holder: First Northeast Bank of Nebraska

LOW INCOME HOUSING TAX CREDIT DIVISION


8. Report from the Programs Committee – 20 minutes

9. Consideration and Approval of Conditional Reservations for Round 1 in the 2020 Low-Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs – 10 minutes

SINGLE FAMILY HOUSING FINANCE DIVISION

10. Status Report on Single Family Program – 10 minutes

11. Update on Market Developments – 10 minutes

12. Review of Details for Meeting with Standard & Poor's and Coordination of Pricing for Upcoming Bond Deal – 5 minutes

OUTREACH DIVISION

13. Report from the Outreach Department – 5 minutes
OTHER BUSINESS/ANNOUNCEMENTS

14. Update on the Governor’s Task Force on Housing Related to Disaster Relief and Recovery Operations – 15 minutes

15. Quarterly Report on NIFA Operations – 10 minutes

16. Review and Consideration for Approval to Solicit Requests for Proposals for Consulting Services – 10 minutes


18. Report from the Bylaws Committee – 10 minutes

19. Report from the Executive Director Search Committee – 5 minutes

20. Consideration of a Motion for a Closed Session to Discuss Executive Director’s Performance Review – 20 minutes

21. Review and Request for Approval of Report and Recommendation from Management Committee Regarding Executive Director’s Performance Review – 5 minutes

22. Announcements and Discussion of Upcoming Events – 5 minutes

23. Adjournment
NIFA BOARD OF DIRECTORS MEETING

Friday, February 21, 2020

@ 9:00 a.m.

NIFA’s Board Room
TO: NIFA Board of Directors

FROM: Tim Kenny

DATE: February 14, 2020

RE: NIFA Board of Directors Meeting

The next NIFA Board Meeting is scheduled for **Friday morning**

**February 21, 2020, at 9:00 a.m.** in the NIFA Board Room.

Enclosed you will find the Board book for the meeting.

If you have any questions, please give me a call.
TO: MANAGEMENT COMMITTEE

FROM: Tim Kenny

DATE: February 14, 2020

RE: Management Committee Meeting

The Management Committee is scheduled to meet on Friday, February 21, 2020 at 8:15 a.m. at the NIFA offices.

If you have any questions, please give me a call.
TO: PROGRAMS COMMITTEE
FROM: Tim Kenny
DATE: February 14, 2020
RE: Programs Committee Meeting

The Programs Committee is scheduled to meet on Thursday, February 20, 2020 at 9:00 a.m. via conference call.

Call in Number: 800-504-8071
Access Code: 4343916

If you have any questions, please give me a call.
NEBRASKA INVESTMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING

NIFA'S CONFERENCE ROOM – 2ND FLOOR – COMMERCE COURT
1230 'O' Street, Lincoln, NE

MINUTES OF FRIDAY, JANUARY 24, 2020 @ 9:00 A.M.

Notice Published:  
January 19, 2020 - Omaha World Herald [Affidavit attached]
January 19, 2020 - Lincoln Journal Star [Affidavit attached]

Open Meetings Act – Copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room.

All votes taken by roll call of the members.

NIFA BOARD MEMBERS PRESENT

Board Members Present: Anthony Goins, Herb Freeman, Marlin Brabec, Galen Frenzen, George Achola, Michael Walden-Newman and Steve Wellman

Board Members Absent: Warren Arganbright and Mary Jo McClurg

NIFA Staff Present: Executive Director and Board Secretary Tim Kenny, Clerk Sheila Gans, Chief Operating Officer Steve Clements, Treasurer Judy Krasnill, Deputy Director of Programs Robin Ambroz, Controller Jody Cook, Chief Homeownership Officer Jacki Young, Homeownership Operations Manager Stacy Folinos, LIHTC Compliance Manager Kelly Schultz, Assistant LIHTC Compliance Manager Tammy Burd, LIHTC Allocation Manager Sara Tichola, Accounting Manager Michaela Mallory, Assistant Manager for RHA Development & Training Joe Spitzen, Manager of Community Development & Research John Turner and Deputy Director Christie Weston


1. Call Meeting to Order and Roll Call
Chair Goins called the meeting to order at 9:02 a.m. with six members present. Tim Kenny reported that copies of the Open Meetings Act were posted on the side wall and also located on the table as you enter the room. The notice of the meeting was published on Sunday, January 19, 2020 in the Omaha World Herald and in the Lincoln Journal Star. Affidavits of publication are attached.
2. Approval of the December 13, 2019 NIFA Board of Directors Meeting Minutes
   Moved by Freeman, seconded by Brabec to approve the December 13, 2019 NIFA Board of
   Directors Meeting minutes. Roll call vote — Freeman – yes, Brabec – yes, Achola – yes, Walden-
   Newman – yes, Wellman – yes and Goins – abstain due to not being present at the meeting.
   Motion carried – 6 voting yes, 1 abstaining.

3. Executive Director's Report
   Tim Kenny distributed copies of NIFA’s response to the Request for Input issued by the Federal
   Housing Finance Agency (FHFA) and the report issued by Standard & Poor’s, the agency which
   provides a rating on NIFA’s general obligation credit as well as on the single family housing
   revenue bonds issued by NFA. The FHFA has asked interested parties to provide input on
   potential changes to Fannie Mae and Freddie Mac Uniform Mortgage-Backed Security (MBS)
   pooling practices. Tim also mentioned that he is preparing, as co-chair of the Governor's Task
   Force on Housing, comments in response to the request for information ("RFI"), issued by the
   Department of Housing and Urban Development and related to regulatory barriers that contribute
   to shortages in affordable housing supply. The comments will particularly reflect the regulatory
   barriers relating to providing housing as part of a disaster recovery program and the need to
   remove barriers preventing the delivery of resources to the people who need them in a timely
   manner. Tim reported that Standard and Poor’s would like to set up a time for a visit with NIFA
   Board members and staff in the near future.

Galen Frenzen arrived at 9:16 a.m.

4. Public Comment related to the January 24, 2020 Agenda Items (comment period limited to
   five minutes)
   Chair Goins asked if anyone wished to comment on any of the agenda items and directed that
   they come forward and state their name for the record. Those coming forward to comment were:

   - Rob Woodling of Foundation Development provided comments with respect to Agenda
     Item #7- LIHTC Policy Map.
   - Michael Thomas, requested information regarding the process of getting started as a
     developer in the LIHTC program.

5. Private Activity Cap Summary
   Judy Krasomil presented the Private Activity Cap Summary, updating the Board on what NIFA
   received in 2020 volume cap and the balance of 2019 to be carried forward.

6. Update on Discussion Regarding NIFA’s Independent Auditor’s Report
   Christie Weston provided the following information in response to a request from the Board at the
   December 13, 2019 NIFA Board meeting. In connection with the audit performed by KPMG on
   NIFA’s annual financial statements, KPMG issues a qualified opinion. This is because NIFA’s
   Single Family loan portfolio consisting primarily of mortgage loans securitized into mortgage-
   backed securities, is reported by NIFA at amortized cost rather than at fair value, as required by
   Governmental Accounting standards. Christie explained management’s process for determining,
   in 1997, (when this particular accounting standard was issued), to report in this manner. Christie
   also shared the impact that fair value reporting would have had on NIFA’s financial statements
   over the past 10 years, indicating material overstatements or understatements of income. A
   report issued by Standard & Poor’s was referenced that outlines the rating agency’s perspective
   that fair value adjustments must be analyzed and in the majority of cases, discounted to gain a
   more accurate picture of a house finance agency’s financial position. The Board expressed
   various thoughts on management’s position and will give further consideration regarding adoption
   of a Board policy statement at a future meeting.
LOW INCOME HOUSING TAX CREDITS

7. LIHTC Policy Map Discussion
Robin Ambroz and Tim Kenny led a Board discussion, incorporating the policy map included in the Board book which demonstrates how NIFA's qualified allocation plan scoring criteria support the broader policies underlying the low-income housing tax credit program. Robin and Sara Tichota also responded to a question about the experience of other HFAs who have moved to a two-year qualified allocation plan, all of which provided positive comments on the change.

8. Report on the Nebraska Affordable Housing Tax Credit Program for 2017-2019
Tim Kenny reported staff has prepared an analysis of the Nebraska Affordable Housing Tax Credit for Board consideration. The review summarizes uses and opportunities for improvements. The Board was asked to review the report and consider recommendations in the context of the 2021-22 QAP review.

SINGLE FAMILY HOUSING FINANCE DIVISION

Jacki Young referred Board members to the Homeownership report in the Board book and reported NIFA has received 70 loan reservations to date in 2020, for a total of approximately $9.6 million in loans. The average loan amount is approximately $137,000, with an urban/rural split of 61% urban, 39% rural.

10. Update on Market Developments
Jeff Gertz gave an update on the national bond market.

11. Risk Management Discussion:
   a. Summary from December 13, 2019 meeting
   b. Mortgage Loan Pipeline Management

   Judy Krasomil, Jody Cook, Steve Clements and Jacki Young led a discussion regarding Single Family Program financial risks and mitigation and also the mortgage loan pipeline management.

12. Discussion Regarding a Request for Proposal Process for Co-Managers for the Single Family Revenue Bond Program
Christie Weston reported staff periodically reviews its relationships with those financial intermediaries which provide services for NIFA's various bond programs. The current investment banking co-manager group includes Ameritas Investment Corp., D.A. Davidson & Co. and First National Capital Markets, Inc. The co-manager group works with potential investors of NIFA bonds, with emphasis on selling NIFA single family bonds to Nebraska retail buyers. Because of recent changes occurring at the co-manager institutions, NIFA staff has begun drafting a request for proposals regarding its co-manager intermediaries. This request for proposal is expected to be issued in the month of February. Staff will analyze the responses and present a summary to the appropriate committee of the NIFA Board, and the committee will make its recommendation to the full Board of Directors.
OUTREACH DIVISION

13. Report from the Outreach Department
Robin Ambroz reported NIFA's 18th Annual Housing Innovation Marketplace will be held March 16-19th. Robin invited Board members to attend the conference and noted that continuing education credits will be available for Real Estate, Mental Health and Legal Education.

OTHER BUSINESS/ANNOUNCEMENTS

14. Legislative Update
Patti Peterson gave a brief summary of bills introduced in the Unicameral this legislative session that may be relevant to or impact the operations and/or programs of NIFA.

15. Housing Macro Economics and National Association Home Builders Report
Tim Kenny announced he would email Board members the powerpoint relevant to agenda item No. 15.

16. Discussion Regarding the Preparation of Bylaws to Set Forth Certain Governance and Operational Rules Applicable to the NIFA Board
Patti Peterson reported that counsel is, pursuant to the board's request, working on draft bylaws. It was decided a committee would be formed to work with counsel to review the bylaws and make any recommendations to the board. The members of the committee will be George Achola, Warren Arganbright, Michael Walden-Newman and Herb Freeman.

17. Report from the Executive Director Search Committee
Board member George Achola reported the executive director search consultant has prepared a proposed job description and marketing materials. The Executive Director Search Committee reviewed the job description and marketing materials and presented their comments to the consultant. These documents have now been forwarded to Tim Kenny, Christie Weston and NIFA counsel for review. The job description and marketing materials should be available to the full Board for their review sometime in February.

18. Announcements and Discussion of Upcoming Events:
NCSHA Housing Credit Connect in St. Louis, MO – June 2-5, 2020
NCSHA Annual Conference and Showplace in New Orleans, LA – October 24-27, 2020

19. Adjournment
Moved by Frenzen to adjourn at 12:08 p.m.

Respectfully submitted,

Christie Weston
Deputy Director
NOTICE OF MEETING

NEBRASKA INVESTMENT FINANCE AUTHORITY

Notice is hereby given that the Nebraska Investment Finance Authority (the "Authority") will hold a Board of Directors Meeting, which is open to attendance by the public, on Friday, January 24, 2020 at 9:00 a.m. The Authority's Meeting will be held at the offices of the Nebraska Investment Finance Authority, 1230 'O' Street, Suite 200, Lincoln, Nebraska. Persons requiring an accommodation consistent with the Americans with Disabilities Act are asked to contact Sheila Gans at the Authority at (402) 434-3900 at least 48 hours in advance of the meeting. Such meeting will be followed by a non-business luncheon at the Nebraska Club, 233 South 13th Street, Lincoln, Nebraska at 11:30 a.m.

The agenda, which is kept continually current, is available for public inspection at the Authority's offices, 1230 'O' Street, Suite 200, Lincoln, Nebraska, during normal business hours. For more information please contact Christie Weston at (402) 434-3900.

Publisher of the World Herald

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

01/19/2020

The First insertion being given ... 01/19/2020

Newspaper reference: 0000105695

Lisa K. Phinney
Billing Representative

Sworn to and subscribed before me this Sunday, January 19, 2020

[Signature]
Notary Public

State of Virginia
City of Richmond
My Commission expires

THIS IS NOT A BILL. PLEASE PAY FROM INVOICE. THANK YOU!
*** Proof of Publication ***

State of Nebraska )
Lancaster County ) SS.

NIFA
SHEILA GANS
1230 O ST STE 200
LINCOLN NE 68508

ORDER NUMBER 895179

RECEIVED JAN 2 2020

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

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successive times(s) the first insertion having been on

January 19, 2020 and thereafter on

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

Mary

Section: Class Legals
Category: 0099 LEGALS
PUBLISHED ON: 01/19/2020

TOTAL AD COST: 18.09
FILED ON: 1/20/2020

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

Subscribed in my presence and sworn to before me on

January 20, 2020

SUSAN R. MARTIN Notary Public
NEBRASKA INVESTMENT FINANCE AUTHORITY
1230 O ST
SUITE 200
LINCOLN, NE 68503-1402

Date Category Description Ad Size Total Cost
01/25/2020 Legal Notices Nebraska Investment Finance Authority Notice of Pr. 2 x 0 L 514.68

Publisher of the World Herald

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

01/19/2020

The First Insertion being given ... 01/19/2020

Newspaper reference: 0000109684

Lisa K. Chimney
Billing Representative

Sworn to and subscribed before me this Sunday, January 19, 2020

Kimberly B. Harris
Notary Public

State of Virginia
City of Richmond
My Commission expires

Kimberly B. Harris
NOTARY PUBLIC
Commonwealth of Virginia
Notary Registration Number 356753
Commission Expires January 31, 2021

This is not a bill. Please pay from invoice. Thank you.
*** Proof of Publication ***

State of Nebraska 
Lancaster County  ) SS.

NIFA 
SHEILA GANS 
1230 O ST STE 200 
LINCOLN NE 68508 

RECEIVED JAN 2 4 2020

ORDER NUMBER 895189

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

_ ONE _ successive times(s) the first insertion having been on

_ January 19, 2020_ and thereafter on

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

Mary

Section: Class Legals 
Category: 0099 LEGALS 
PUBLISHED ON: 01/19/2020

TOTAL AD COST: 23.74

FILED ON: 1/20/2020

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

Subscribed in my presence and sworn to before me on

_ January 20, 2020_

SUSAN R. MARTIN 
Notary Public

GENERAL NOTARY - State of Nebraska 
SUSAN R. MARTIN 
Not Commission Exp. August 20, 2023
### Housing-CARRYFORWARD DETAIL

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### Ag/IDB/Non Statewide Housing-ALLOCATION DETAIL

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Remaining Ag  
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Total Ag  
(5,000,000)
AGRICULTURAL LOAN SUMMARY

Public Hearing Date: October 16, 2019

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Lance Johnson Project) Series 2019 (the “Bond”)

Borrower: Lance F. Johnson

Bank: South Central State Bank, Campbell, Nebraska

Purpose: Loan (the “Loan”) to acquire 160 acres of farm real estate located in the NE ¼ of Section 20, Township 5 North, Range 13, west of the 6th P.M. (located southwest of the intersection of D Road and 40 Road) in Kearney County, Nebraska.

Amount: $460,000

Bond Dated Date: December 17, 2019

Terms: The Bond shall bear an initial interest rate of 4.550% until December 17, 2029. On that date and every ten years thereafter, the interest rate may be adjusted to an interest rate based on the 30 day average 5 Year Treasury Rate (the “Index”), plus 2.940%. Interest shall be computed on a 365/365 basis. The loan shall be paid in full on demand and if no demand is made, principal and interest shall be paid in 19 annual payments of $35,332.79 (subject to any interest rate changes) beginning November 1, 2020 and each November 1 thereafter to and including November 1, 2038. The final payment of the entire unpaid balance of principal and accrued interest will be due November 1, 2039. Upon an interest rate change the payments will be reamortized at the new interest rate over the remaining term. If a payment is 10 days or more past due, Borrower will be charged a late fee of $25.00. Under no circumstances will the interest rate on this note be less than 4.000% per annum or more than the lesser of 16.000% per annum or the maximum rate allowed by applicable law. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 16.000% per annum.
AGRICULTURAL LOAN SUMMARY

Public Hearing Date: August 14, 2019

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Blake L. Bandur Project) Series 2019 (the “Bond”)

Borrower: Blake L. Bandur

Bank: Adam County Bank, Kenesaw, Nebraska

Purpose: Loan (the “Loan”) to acquire approximately 320 acres of farm real estate located in the S½ of Section 30, Township 15 North, Range 15, west of the 6th P.M. (located ½ mile south of the intersection of 788th Road and 469th Avenue (5 miles west and 2½ miles south of Loup City, NE) on the west side of 469th Avenue) in Sherman County, Nebraska.

Amount: $536,820

Bond Dated Date: December 18, 2019

Terms: The Bond shall bear interest at 4.20% per annum. Interest shall be computed on an actual/365 basis. Principal and interest shall be paid in 29 annual payments in the amount of $31,814.96 beginning December 18, 2020 and each December 18 thereafter to and including December 18, 2048. A final payment of the entire unpaid balance of principal and interest will be due December 18, 2049 (the “Maturity Date”). Payments will be rounded down to the nearest $.01. Any unpaid balance outstanding after the Maturity Date shall bear interest at a rate equal to 2% above the rate in effect at maturity, until paid full.
AGRICULTURAL LOAN SUMMARY

Public Hearing Date: December 5, 2019

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Ashley L. Herringer Project) Series 2019 (the "Bond")

Borrower: Ashley L. Herringer

Bank: Adams County Bank, Kenesaw, Nebraska

Purpose: Loan (the “Loan”) to acquire approximately 80 acres of farm real estate, including various farm buildings, located in the E¼ NE¼ of Section 35, Township 4 North, Range 10, west of the 6th P.M. (located on the SW corner of the intersection of County Road 1800 and County Road V) in Webster County, Nebraska.

Amount: $97,000

Bond Dated Date: December 20, 2019

Terms: The Bond shall bear interest at 3.85% per annum. Interest shall be computed on an actual/365 basis. Principal and interest shall be paid in 19 annual payments of $7,044.88 beginning December 20, 2020 and each December 20 thereafter to and including December 20, 2038. The final payment of the entire unpaid balance of principal and accrued interest thereon will be due December 20, 2039 (the “Maturity Date”). Any unpaid balance outstanding after the Maturity Date shall bear interest at a rate equal to 2% above the rate in effect at maturity, until paid in full.
AGRICULTURAL LOAN SUMMARY

Public Hearing Date: October 16, 2019

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Dalton and Rachel Peterson Project) Series 2020 (the "Bond")

Borrower: Dalton A. and Rachel A. Peterson

Bank: The First State Bank - Holdrege, Holdrege, Nebraska

Purpose: Loan (the "Loan") to acquire 158.78 acres, more or less, of farm real estate located in the SE ¼ of Section 32, Township 9 North, Range 19, west of the 6th P.M. (located at the NW corner of Road 446 and Road 750) in Dawson County, Nebraska.

Amount: $356,159

Bond Dated Date: January 7, 2020

Terms: The Bond shall bear an initial interest rate of 3.940% per annum until January 7, 2025. On that date and every five years thereafter, the interest rate will be adjusted to 0.810% below the base rate on corporate loans posted by at least 70% of the 10 largest U.S. Banks as the Wall Street Journal U.S. Prime Rate. Interest shall be computed on an actual/360 basis. The loan shall be paid in full on demand and if no demand is made, principal and interest shall be paid in 19 annual payments of $20,591.21 (subject to any interest rate changes) beginning January 7, 2021 and each January 7 thereafter to and including January 7, 2039. The final payment of the entire unpaid balance of principal and accrued interest will be due January 7, 2040. Upon an interest rate change, the payments will be reamortized at the new interest rate over the remaining term. In the event of default or if a payment is 25 days past due, the interest rate will increase to 3% over the current note interest rate and the future note interest rate after scheduled rate changes. If a payment is more than 10 days past due, a late payment charge of 5% of the amount past due will be assessed with a minimum late payment charge of $7.50 and a maximum late payment charge of $25.00. During the term of this Note, the interest rate will not be more 9.940% or less than 3.940%.
AGRICULTURAL LOAN MODIFICATION SUMMARY

Public Hearing Date: December 27, 2019

Series Resolution: Providing for the Modification of Agricultural Development Direct Loan Revenue Bond (Adam W. Behrendt Project) Series 2008 (the “Bond”)

Borrower: Adam W. Behrendt

Bank/Bond Purchaser: Washington County Bank - Blair, Nebraska

Original Purpose: Purchase of 157 acres, more or less, of farm real estate located in the NE ¼ of Section 4, Township 19 North, Range 10, west of the 6th P.M. (located at 20485 County Road 6 in Herman, Nebraska) in Dawson County, Nebraska.

Outstanding Bond Amount: $146,486.87

Modification Effective Date: January 15, 2020

Modification Terms: Commencing on the Modification Effective Date, the interest rate on the Bond and underlying Farm Loan will change from 5.04% to 3.99%, in effect until December 1, 2024. On that date and each fifth year thereafter, the interest rate will change to 2.05% above the 5-year fixed Federal Home Loan Bank of Topeka, Kansas lending rate (the “Index Rate”). Under no circumstances will the interest rate on the Bond or the Farm Loan be less than 3.99%.
AGRICULTURAL LOAN SUMMARY

Public Hearing Date: January 3, 2020

Series Resolution: Providing for the Issuance of Agricultural Development Direct Loan Revenue Bond (Darren and Ramona Gingerich Project) Series 2020 (the “Bond”)

Borrower: Darren and Ramona Gingerich

Bank: Jones Bank, Seward, Nebraska

Purpose: Loan (the “Loan”) to acquire approximately 80 acres of farm real estate, located in the S½ NW¼ of Section 32, Township 11 North, Range 2, east of the 6th P.M. (located on the SE corner of the intersection of Alvo Road and 378th Road) in Seward County, Nebraska.

Amount: $248,664

Bond Dated Date: January 31, 2020

Terms: The Bond shall bear interest at 4.180% per annum. Interest shall be computed on a 365/360 basis. Principal and interest shall be paid in 29 annual payments of $14,806.23 beginning February 1, 2021 and each February 1 thereafter to and including February 1, 2049. The final payment of the entire unpaid balance of principal and accrued interest thereon will be due February 1, 2050 (the “Maturity Date”). If a payment is 10 days or more past due, the Borrower will be charged 5.00% of the regularly scheduled payment or $15.00, whichever is less. Upon default, including failure to pay upon final maturity, the interest rate shall be increased to 16.000%. 
CRANE Public Meeting Report
NIFA Conference Room
January 22, 2020
10:32 a.m.

Attendees (via telephone): Michael Maroney and Annette Artherton; Omaha Economic Development Corporation; Ed Shada, Angel Share, Inc.; Mike Gawley, Holy Name Housing; Teresa Kile, K Consulting; Neeraj Agarwal, Clarity Development; Rob Woodling, Foundations Development; Darin Smith, Arch Icon; Cindy Koster and Ryan Harris, Midwest Housing Equity Group and Sheryl Hiatt Nebraska Department of Economic Development.

NIFA Staff in Attendance: Sara Tichota and Kirk Benner

Meeting called to order by Sara Tichota at 10:32 a.m.

Sara Tichota reported the 2020 Application is available on the NIFA website and Category 1 projects will be reviewed in the coming weeks. Ms. Tichota indicated that CRANE Application invites have been extended and that 2020 CRANE Conditional Reservations are tentatively scheduled for the February or March NIFA Board Meeting.

Bethlehem House – Omaha
Rob Woodling reported he is awaiting the 2020 application response and had a question on time frame of annual dates on the documents. Sara Tichota relayed the message of waiting on an interpretation and would be sending out an email to current applicants.

Hanscom Apartments – Omaha
Neeraj Agarwal reported he is awaiting the 2020 application response.

Angels Share Campus – Blair
Ed Shada reported they are in the process of completing the 2020 application.

Villa Rows – Omaha
Mike Gawley reported they are in the process of completing the 2020 application.

South Street Project – Lincoln
Teresa Kile reported they have received the invitation to CRANE and in the process of completing the 2020 application.

Larimore 3483 – Omaha
Michael Maroney reported they have received the invitation to CRANE and in the process of completing the 2020 application.

Siena Francis Cottages - Omaha
Darin Smith reported they have received the invitation to CRANE and in the process of completing the 2020 application.

Meeting adjourned: 10:42 a.m.
<table>
<thead>
<tr>
<th>NIFA PROJECT #</th>
<th>PROJECT NAME &amp; ADDRESS</th>
<th>APPLICANT NAME</th>
<th>COUNTY</th>
<th>TOTAL UNITS</th>
<th>LIHTC UNITS</th>
<th>MARKET UNITS</th>
<th># OF BLDGS</th>
<th>PROJECT TYPE</th>
<th>STATUS</th>
<th>FINANCING SOURCES</th>
<th>ESTIMATED COST</th>
<th>LIHTC REQUESTED</th>
<th>AHTC REQUESTED</th>
<th>CATEGORY DESIGNATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-0909</td>
<td>Bethlehem House 2315 S. 15th Street Omaha, NE</td>
<td>Foundations Development, LLC 1806 S. 126th Street Omaha, NE 68114 (Rob Wooding: 402.504.3246)</td>
<td>Douglas</td>
<td>15</td>
<td>12</td>
<td>3</td>
<td>1</td>
<td>New Construction Metro Special Needs</td>
<td>For Profit</td>
<td>Donated Land Deferred Developer Fee $3,569,759</td>
<td>$240,000</td>
<td>$240,000</td>
<td>Category 1</td>
<td></td>
</tr>
<tr>
<td>7-0911</td>
<td>Hanscom Apartments 1020 Park Ave. &amp; 1040 S. 29th St. Omaha, NE</td>
<td>Clarity Development, LLC 5814 Farnam Street, Suite 201 Omaha, NE 68131 (Neeraj Agarwal: 402.981.3735)</td>
<td>Douglas</td>
<td>75</td>
<td>75</td>
<td>0</td>
<td>2</td>
<td>Rehabilitation Metro Special Needs</td>
<td>For Profit</td>
<td>Conventional Loan Tax Increment Financing Historic Tax Credits Deferred Developer Fee Owner Equity $14,202,920</td>
<td>$715,000</td>
<td>$715,000</td>
<td>Category 1</td>
<td></td>
</tr>
<tr>
<td>7-0917</td>
<td>Transformation Hill 2948 College Drive Blair, NE</td>
<td>Angel Share, Inc. 9250 Dodge Street Omaha, NE 68114 (Ed Shada: 402.630.5664)</td>
<td>Washington</td>
<td>60</td>
<td>60</td>
<td>0</td>
<td>2</td>
<td>Con / Acq &amp; Rehab Metro Youth Aging</td>
<td>Non-Profit</td>
<td>HOME/NHATF Funds Deferred Developer Fee $11,436,521</td>
<td>$817,988</td>
<td>$817,988</td>
<td>Category 3</td>
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<tr>
<td>7-0939</td>
<td>Villa Row 15th ST and Miami ST Omaha</td>
<td>Holy Name Housing 4324 Fort Street Omaha, NE 68111 (Mike Gawley: 402.453.6100)</td>
<td>Douglas</td>
<td>23</td>
<td>23</td>
<td>0</td>
<td>4</td>
<td>New Construction Metro Special Needs</td>
<td>Non-Profit</td>
<td>NAHTF Funds HOME Omaha City Funds Deferred Developer Fee $8,171,295</td>
<td>$543,373</td>
<td>$543,373</td>
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<td></td>
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<tr>
<td>7-0973</td>
<td>South Street Project 2200 S. 11th Street Lincoln, NE</td>
<td>CenterPointe, Inc. 2633 P Street Lincoln, NE 68503 (Topher Hansen: 402.475.5717)</td>
<td>Lancaster</td>
<td>32</td>
<td>32</td>
<td>0</td>
<td>1</td>
<td>Rehabilitation Special Needs</td>
<td>Non-Profit</td>
<td>HOME/NHATF Funds PHL Bank Funds Tax Increment Financing Deferred Developer Fee Capital Campaign $16,593,055</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
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<td></td>
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<tr>
<td>7-0974</td>
<td>Larrimore 3483 2221 North 24th Street Omaha, NE 68110</td>
<td>Omaha Economic Development 2221 North 24th Street Omaha, NE 68110</td>
<td>Douglas</td>
<td>52</td>
<td>52</td>
<td>0</td>
<td>1</td>
<td>Rehabilitation Elderly</td>
<td>Non-Profit</td>
<td>Community Dev. Grant HOME Omaha City Funds Tax Increment Financing $11,673,650</td>
<td>$678,293</td>
<td>$678,293</td>
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<td></td>
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<tr>
<td>7-0975</td>
<td>Sienna Francis Cottages 1528 N 16th Street Omaha, NE</td>
<td>Sienna Francis House 1702 Nicholas Street Omaha, NE 68102 (Linda Twomey: 402.341.1621)</td>
<td>Douglas</td>
<td>50</td>
<td>50</td>
<td>0</td>
<td>50</td>
<td>New Construction Non-Profit</td>
<td>For Profit</td>
<td>HOME/NHATF Funds CDBG Funds Deferred Developer Fee $56,993,500</td>
<td>$497,115</td>
<td>$497,115</td>
<td>Category 4</td>
<td></td>
</tr>
</tbody>
</table>

| Total         | 307          | 304          | 3          | 61          |                          |                          | $72,641,800 | $4,489,769       | $4,489,769 |
Agenda Item No. 9

Consideration and Approval of Conditional Reservations for Round One in the 2020 Low-Income Housing Tax Credit (LIHTC) and Affordable Housing Tax Credit (AHTC) Programs.

Discussion:

Twenty (20) applications were received by NIFA for consideration in Round One under the competitive process.

- Ten (10) applications were for developments to be located in metro areas and Ten (10) applications were for developments to be located in non-metro areas.

NIFA, NDED, and Kutak Rock staff members reviewed each application. The scoring methods followed are in accordance with the 2020 Qualified Allocation Plan for Low Income Housing Tax Credits and Nebraska Affordable Housing Tax Credits, which was approved August 16, 2019, by the NIFA Board of Directors and approved by Governor Pete Ricketts on September 16, 2019.

Action Required:

The Board will be asked to make a conditional reservation of tax credits from the competitive pool for Round One, per the recommendations of the Programs Committee.
NIFA BOARD OF DIRECTORS MEETING
February 21, 2020

YTD 2020 Reservation Activity (As of 2/12/20)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td># Loan Reservations</td>
<td>242</td>
</tr>
<tr>
<td>$ Loan Reservations</td>
<td>$33,330,798</td>
</tr>
<tr>
<td>Average Loan Amount</td>
<td>$137,730</td>
</tr>
<tr>
<td>Average Weekly Amount</td>
<td>$5,555,123</td>
</tr>
<tr>
<td>Urban Areas</td>
<td>62%</td>
</tr>
<tr>
<td>Rural Areas</td>
<td>38%</td>
</tr>
</tbody>
</table>

Monthly Reservations

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,924</td>
</tr>
<tr>
<td>2019</td>
<td>2,891</td>
</tr>
<tr>
<td>2020</td>
<td>242</td>
</tr>
</tbody>
</table>

Interest Rate Spread

<table>
<thead>
<tr>
<th>Year</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>30 bps</td>
</tr>
<tr>
<td>2019</td>
<td>20 bps</td>
</tr>
<tr>
<td>2020</td>
<td>16 bps</td>
</tr>
</tbody>
</table>

By Program

- First Home: 47%
- Homebuyer Assistance: 49%
- Military Home: 4%

By Loan Type

- FHA: 50%
- Rural Development: 33%
- VA: 5%
- Conventional: 12%
Agenda Item #14

Update on the Governor's Task Force on Housing Related to Disaster Relief and Recovery Operations

Background:

The Task Force (of which the Nebraska Department of Economic Development and NIFA are co-chairs) has been meeting since the spring of 2019 to provide oversight and ensure the effective coordination of housing relief brought on by the disasters last year. Discussion will include the recent Department of Housing and Urban Development Notice (see attached) allocating Community Development Block Grant disaster recovery (CDBG-DR) funds for disaster relief. The allocation for Nebraska is $108,938,000. We will also review customer facing, digital and analog, customer relationship management (CRM) technology and consumer disaster recovery information resources.

Action Needed:

Discussion only
STATE of NEBRASKA
OFFICE OF THE GOVERNOR
LINCOLN

EXECUTIVE ORDER No. 19-08

GOVERNOR'S TASK FORCE ON HOUSING

WHEREAS, the late winter blizzards, extremely cold temperatures, then sudden warm temperatures and heavy rain in March have caused widespread severe damages across 81 of the State's 93 counties; and

WHEREAS, this catastrophic situation has resulted in the President of the United States declaring a major disaster for Nebraska; and

WHEREAS, the State of Nebraska has the responsibility to ensure coordinated and efficient disaster relief and recovery operations in order to assist victims in alleviating the effects of disaster;

NOW, THEREFORE, I, Pete Ricketts, Governor of the State of Nebraska, under the provisions of RRS § 81-829.40 do hereby direct the creation of the Governor's Task Force on Housing (Task Force) to provide oversight and ensure the effective coordination of housing relief brought on from the disaster.

Pursuant to this declaration, I hereby order the following:

1. The Task Force shall conduct a detailed examination of all available resources relating to housing impacts across the State and will coordinate stakeholder efforts placing a high priority on ensuring availability of adequate, affordable housing and the availability of individuals and families to rent or purchase those homes.
2. The Nebraska Department of Economic Development and Nebraska Investment Finance Authority shall act as Co-Chairs, and the Task Force will meet at their direction.
3. The Governor and Task Force Co-Chairs shall determine Task Force membership.
4. All State and appropriate Federal agencies to cooperate with and support the Task Force as may be appropriate and lawful.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nebraska to be affixed on this 29th day of April 2019.

Pete Ricketts, Governor
State of Nebraska

Attest:
Robert B. Evnen, Secretary of State
State of Nebraska
agreement that the agreement for CDBG-MIT funds is legally-binding.

(3) The Grantee must impose specific subaward conditions upon an agency or subrecipient as described in §200.207 Specific conditions.

(4) The Grantee, based on the evaluation of risk posed by the agency or subrecipient, must ensure proper accountability and compliance with program requirements and achievement of performance goals by:

(a) Providing agencies or subrecipients with training and technical assistance on program-related matters;

(b) Performing on-site reviews of the agency’s or subrecipient’s program operations; and

(c) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(5) The Grantee must verify that every agency (where not included in the audit of the grantee) or subrecipient is audited as required by Subpart F—Audit Requirements of 2 CFR part 200 when it is expected that the agency or subrecipient’s subaward expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(6) The Grantee must consider whether the results of the agency or subrecipient’s audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the Grantee’s own records.

(7) The Grantee must take enforcement action against noncompliant agencies or subrecipients as described in §200.330 Remedies for noncompliance of this part and program regulations.

2.15. Additional requirements for Fiscal Distress Risk. Based on the financial risk posed by the Grantee’s fiscal distress (as evidenced by ongoing debt restructuring pursuant to the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), 48 U.S.C. 2101–2241) the Grantee must comply with the requirements of the October 26, 2017 “ORDER GRANTING URGENT JOINT MOTION OF THE COMMONWEALTH OF PUERTO RICO, PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY, PUERTO RICO ELECTRIC POWER AUTHORITY, AND THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY FOR ORDER CONCERNING RECEIPT AND USE OF ANTICIPATED FEDERAL DISASTER RELIEF FUNDS AND PRESERVING RIGHTS OF PARTIES,” as may be amended from time to time by the United States District Court for the District of Puerto Rico or other court with jurisdiction (the Order). As required by the Order, grant funds received by the Commonwealth or other Non-Federal entity (as defined by 2 CFR 200.69) shall be deposited solely into a Disaster Relief Account, meaning a new, segregated, non-co-mingled, unencumbered account held in the name of the Commonwealth or of the Non-Federal entity to whom the funds have been provided, and shall be used solely for eligible activities. Evidence of the Disaster Relief Account held by the Commonwealth must be provided to HUD within 80 days of the date of the CDBG-MIT grant agreement with the submission of a completed SF–1199 (direct deposit form) or other similar form specified by HUD. The Grantee must maintain documentation of the Disaster Relief Accounts held by other Non-Federal entities that receive grant funds from the Grantee.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.218 and 14.228.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for inspection at HUD’s Funding Opportunities web page at: https://www.hud.gov/program_offices/spp/ mgomgmt/grantsinfo/fundingopps. The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800–877–8339 (this is a toll-free number).


Benjamin Carson, Sr., Secretary.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–8182–N–01]

Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice allocates a total of $3,831,428,000 in Community Development Block Grant disaster recovery (CDBG–DR) funds appropriated by the Supplemental Appropriations for Disaster Relief Act, 2018, and the Additional Supplemental Appropriations for Disaster Relief Act, 2019. The combined amount of $3,831,428,000 in CDBG–DR funds is allocated by this notice for the purpose of assisting in long-term recovery from major disasters that occurred in 2017, 2018, and 2019. This notice also contains clarifications on waivers and alternative requirements that were included in the Prior Notices. Unless expressly limited to certain grantees, the amended waivers and alternative requirements apply to all CDBG–DR grants that are subject to the Prior Notices (previous grants for 2017 disasters and grants under this Notice).

DATES: Applicability Date: February 3, 2020.

FOR FURTHER INFORMATION CONTACT: Jessio Handforth Kome, Acting Director, Office of Block Grant Assistance, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202–708–3567. Persons with hearing or speech impairments may access this number through TTY by calling the Federal Relay Service at 800–877–8339. Facsimile inquiries may be sent to Ms. Kome at 202–708–0033. (Except for the “800” number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Allocations
II. Use of Funds
III. Overview of Grant Process
IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements
V. Duration of Funding
VI. Catalog of Federal Domestic Assistance
VII. Finding of No Significant Impact
Appendix A: Allocation Methodology
I. Allocations

Two public laws have been enacted that provide supplemental CDBG-DR appropriations. The Supplemental Appropriations for Disaster Relief Act, 2018 (Pub. L. 115–254, approved October 5, 2018) (2018 Appropriations Act) made available $1,680,000,000 in CDBG-DR funds for major disasters declared in 2018. The Additional Supplemental Appropriations for Disaster Relief Act, 2019 (Pub. L. 116–20, approved June 6, 2019) (2019 Appropriations Act) made $2,431,000,000 in CDBG-DR funds available for major disasters occurring in 2017, 2018, or 2019, of which $431,000,000 is for grantees that received funds in response to disasters occurring in 2017. Based on the unmet needs allocation methodology outlined in Appendix A, this notice allocates $3,400,428,000 in CDBG-DR funds in accordance with the 2018 Appropriations Act and the 2019 Appropriations Act (the “2018 and 2019 Appropriations Acts”), to address unmet disaster recovery needs through activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” areas resulting from a qualifying major disaster in 2018 and 2019, as well as $431,000,000 for unmet infrastructure needs for 2017 disasters. Qualifying major disasters are those declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act) and identified in Table 1. When additional data becomes available for other disasters occurring in 2019, the remaining $272,072,000 from Public Law 116–20 will be allocated for those disasters in a subsequent notice.

In Federal Register notices published on February 8, 2018 at 83 FR 5844, August 14, 2018 at 83 FR 40314, February 19, 2019 at 84 FR 4836, and June 20, 2019 at 84 FR 28846 (the “Prior Notices”), HUD described the applicable waivers and alternative requirements, relevant statutory and regulatory requirements, the grant award process, criteria for action plan approval, updates to duplication of benefits requirements, and eligible disaster recovery activities associated with grants for 2017 disasters. This notice imposes the requirements of the Prior Notices, as amended by provisions in this notice, on the grants announced in this notice.

In accordance with the 2018 and 2019 Appropriations Acts, $2,500,000 of the amounts these acts made available will be transferred to the Department’s Office of Community Planning and Development (CPD), Program Office Salaries and Expenses, for necessary costs of administering and overseeing CDBG-DR grants under the 2018 and 2019 Appropriations Acts. Additionally, in accordance with the 2019 Appropriations Act, $5,000,000 is to be transferred to CPD to provide necessary capacity building and technical assistance to grantees that receive a CDBG-DR grant under the 2018 and 2019 Appropriations Acts or future acts. As mentioned above, the 2019 Appropriations Act requires HUD to allocate $431,000,000 to address unmet infrastructure needs for grantees that received an allocation for a disaster that occurred in 2017, of which $331,442,114 shall be allocated to those grantees affected by Hurricane Maria.

The 2018 and 2019 Appropriations Acts provide that grants shall be awarded directly to a State, unit of general local government, or Indian tribe at the discretion of the Secretary. Unless not otherwise, the term “grantee” refers to the entity receiving a grant from HUD under this notice. To comply with statutory requirements that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD allocates funds using the best available data that covers all the eligible affected areas.

Grantees receiving an allocation of funds under this notice are subject to the requirements of the Prior Notices, as amended by this notice or by subsequent notices. Pursuant to the Prior Notices, each grantee receiving an allocation for a 2016 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. These grantees may, however, prepay the use of funds for unmet economic revitalization and unmet infrastructure needs related to the grantees’ unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds. Grantees receiving funds under this notice for an additional allocation for unmet infrastructure needs arising from a 2017 disaster must use those funds for unmet infrastructure needs.

Table 1 (below) shows the major disasters that grants under this notice may address and the minimum amount of funds from the combined allocations under the 2018 and 2019 Appropriations Acts that must be expended in the HUD-identified most impacted and distressed areas. The information in this table is based on HUD’s review of the impacts from the qualifying disasters and estimates of unmet need.

**Table 1—Allocations Under Public Laws 115–254 and 116–20**

<table>
<thead>
<tr>
<th>Disaster year</th>
<th>Disaster No.</th>
<th>Grantee</th>
<th>Unmet needs allocation under Public Law 115–254</th>
<th>Total allocation for unmet needs (Pub. L. 115–254 and Pub. L. 116–20)</th>
<th>Minimum amount that must be expended for recovery in the HUD-identified “most impacted and distressed” areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Disasters (Additional Unmet Infrastructure Needs)</td>
<td>4244 &amp; 4253</td>
<td>State of California</td>
<td>$0</td>
<td>$38,057,527</td>
<td>$38,057,527</td>
</tr>
<tr>
<td>4237 &amp; 4541</td>
<td>State of Florida</td>
<td>$0</td>
<td>$27,627,745</td>
<td>$27,627,745</td>
<td>(No less than $10,143,000) 33704, 33708, 33701, 33782, 33953, and 33958 Zip Codes.</td>
</tr>
<tr>
<td>4294, 4207, &amp; 4308</td>
<td>State of Georgia</td>
<td>$0</td>
<td>$13,015,596</td>
<td>$13,015,596</td>
<td>(No less than $10,143,000) 31519, 31511, and 31516 Zip Codes.</td>
</tr>
<tr>
<td>4517</td>
<td>State of Missouri</td>
<td>$0</td>
<td>$8,847,018</td>
<td>$8,847,018</td>
<td>(No less than $7,576,000) 63019, 63665, 64500, 65118, and 65776 Zip Codes. ($277,853,230 All Components of the Commonwealth of Puerto Rico. ($23,088,884 All Components of the U.S. Virgin Islands. ($23,088,884 All Components of the U.S. Virgin Islands.</td>
</tr>
<tr>
<td>4305</td>
<td>U.S. Virgin Islands</td>
<td>$0</td>
<td>$53,588,884</td>
<td>$53,588,884</td>
<td>($23,088,884 All Components of the U.S. Virgin Islands.</td>
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<tr>
<td>2018 Disasters</td>
<td>4413</td>
<td>State of Alaska</td>
<td>$0</td>
<td>$35,858,000</td>
<td>$35,858,000</td>
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</table>
Table 1—Allocations Under Public Laws 115-254 and 116-20—Continued

<table>
<thead>
<tr>
<th>Disaster year</th>
<th>Disaster No.</th>
<th>Grantee</th>
<th>Unmet needs allocation under Public Law 115-254</th>
<th>Unmet needs allocation under Public Law 116-20</th>
<th>Total allocation for unmet needs (Pub. L. 115-254 and Pub. L. 116-20)</th>
<th>Minimum amount that must be expended for recovery in the HUD-identified most impacted and distressed areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Disasters</td>
<td>4397</td>
<td>American Samoa</td>
<td>19,530,000</td>
<td>6,500,000</td>
<td>26,039,000</td>
<td>($23,039,000) All components of American Samoa.</td>
</tr>
<tr>
<td></td>
<td>4407 &amp; 4422</td>
<td>State of California</td>
<td>491,816,000</td>
<td>555,583,000</td>
<td>1,047,399,000</td>
<td>(No less than $813,919,000) Butte Lake, Los Angeles, and Santa Clara Counties.</td>
</tr>
<tr>
<td></td>
<td>4509</td>
<td>State of Florida</td>
<td>449,023,000</td>
<td>287,530,000</td>
<td>736,553,000</td>
<td>(No less than $84,424,000) St. Lucie, Clay, Okeechobee, and Indian River Counties.</td>
</tr>
<tr>
<td></td>
<td>4600</td>
<td>State of Georgia</td>
<td>34,864,000</td>
<td>6,953,000</td>
<td>41,817,000</td>
<td>(No less than $33,416,000) 30816 (Gwinnett) Zip Code.</td>
</tr>
<tr>
<td></td>
<td>4706</td>
<td>Hawaii County, HI</td>
<td>69,850,000</td>
<td>16,951,000</td>
<td>86,801,000</td>
<td>($86,841,000) Hawaii County.</td>
</tr>
<tr>
<td></td>
<td>4706</td>
<td>Kauai County, HI</td>
<td>0</td>
<td>9,176,000</td>
<td>9,176,000</td>
<td>(No less than $9,241,000) 96714 (Kauai) Zip Code.</td>
</tr>
<tr>
<td></td>
<td>4803</td>
<td>State of North Carolina</td>
<td>336,521,000</td>
<td>206,123,000</td>
<td>542,644,000</td>
<td>(No less than $431,150,000) Brunswick, Carteret, Craven, Craven, Duplin, Jones, New Hanover, Onslow, Pender, and Robeson Counties; 28522 (Scotland); 28390 (Cumberland); 28533 (Bladen), and 28571 (Pamlico) Zip Codes.</td>
</tr>
<tr>
<td></td>
<td>4906 &amp; 4404</td>
<td>The Commonwealth of the Northern Mariana Islands</td>
<td>188,652,000</td>
<td>55,294,000</td>
<td>243,946,000</td>
<td>(No less than $165,150,000) Sanpans and Tjian Municipalities.</td>
</tr>
<tr>
<td></td>
<td>4939</td>
<td>State of South Carolina</td>
<td>47,775,000</td>
<td>24,300,000</td>
<td>72,075,000</td>
<td>(No less than $57,610,000) Horry and Marion counties; 29536 (Charleston) Zip Code.</td>
</tr>
<tr>
<td></td>
<td>4777</td>
<td>State of Texas</td>
<td>48,400,000</td>
<td>26,613,000</td>
<td>75,013,000</td>
<td>(No less than $58,330,000) Harris County.</td>
</tr>
<tr>
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<td>0</td>
<td>14,355,000</td>
<td>14,355,000</td>
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<td>8,940,000</td>
<td>(No less than $715,000) 71092 (Jefferson) and 72101 (Perry) Zip Codes.</td>
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<td>36,535,000</td>
<td>36,535,000</td>
<td>(No less than $29,542,000) Muskogee and Tulsa Counties; 74446 (Squaw Creek) Zip Code.</td>
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<td>State of Texas</td>
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<td>212,741,000</td>
<td>212,741,000</td>
<td>(No less than $170,193,000) Cameron, Chambers, Harris, Jefferson, Liberty, Montgomery, and Orange Counties; 77570 (Hidalgo) Zip Code.</td>
</tr>
</tbody>
</table>

Total | 1,677,500,000 | 3,153,928,000 | 3,831,428,000 |

Pursuant to the 2018 and 2019 Appropriations Acts, HUD has identified the most impacted and distressed areas based on the best available data for all eligible affected areas. A detailed explanation of HUD's allocation methodology is provided in Appendix A of this notice.

In some instances, HUD identified the entire jurisdiction of a grantee as the most impacted and distressed area. For all other grantees, at least 80 percent of the total funds provided to a grantee under this notice must address unmet disaster needs within the HUD-identified most impacted and distressed areas, as identified in the last column in Table 1. Note that if HUD designates a ZIP Code for 2018 and 2019 disasters as a most impacted and distressed area for purposes of allocating funds, the grantee may expand program operations to the whole county (county is indicated in parentheses next to the ZIP Code as a most impacted and distressed area. The grantee should indicate the decision to expand eligibility to the whole county in its action plan.

A grantee may determine where to use the remaining 20 percent of the allocation, but that portion of the allocation may only be used to address unmet disaster needs in those areas that the grantee determines are "most impacted and distressed" and received a presidential major disaster declaration pursuant to the disaster numbers listed in Table 1. A grantee may use up to 5 percent of the total grant award for grant administration and no more than 15 percent of the total grant award for planning activities. Therefore, HUD will include 80 percent of a grantee's expenditures for grant administration in its determination that 80 percent of the total award has been expended in the most impacted and distressed areas identified in Table 1. Additionally, expenditures for planning activities may be counted towards a grantee's 80 percent expenditure requirement, provided that the grantee describes in its action plan how those planning activities benefit the HUD-identified most impacted and distressed areas.

II. Use of Funds

Funds allocated under this notice are subject to the requirements of the Prior Notices, as amended by this notice or subsequent notices. This notice outlines additional requirements imposed by the 2018 and 2019 Appropriations Acts that apply to funds allocated under this notice.

The 2018 and 2019 Appropriations Acts require that prior to the obligation of CDBG-DR funds a grantee shall submit a plan detailing the proposed use of all funds. The plan must include criteria for eligibility, and how the use of these funds will address long-term recovery and revitalization of infrastructure and housings, economic revitalization, and mitigation in the most impacted and distressed areas. Therefore, the action plan submitted in response to this notice must describe
uses and activities that: (1) Are authorized under title I of the HCDRA or allowed by a waiver or alternative requirement; and (2) respond to a disaster. Federal impact to infrastructure, housing, or economic revitalization in the most impacted and distressed areas, and if the grantee chooses to do so, how mitigation will be incorporated into recovery activities. To inform the plan, each grantee must conduct an assessment of community impacts and unmet needs and guide the development and prioritization of planned recovery activities, pursuant to section VI.A.2.a. of the February 9, 2018 notice (83 FR 5849).

While CDBG—DR funding is a valuable resource for long-term recovery and mitigation in the wake of major disasters, HUD expects that grantees will take steps to set in place substantial stewardship and governmental policies to enhance the impact of HUD-funded investments and limit damage from future disasters. The Federal Register notice published February 9, 2018 (83 FR 5850), requires all grantees to describe how they plan to promote sound, sustainable long-term planning. HUD is encouraging wildfire-impacted grantees in particular to consider land-use plans that address density and quantity of development, as well as emergency access, landscaping, and water supply considerations. Grantees are reminded that they may use CDBG—DR funds for planning activities, including, but not limited to, developing a Community Wildfire Protection Plan (CWPP). Grantees are encouraged to review U.S. Forest Service’s resources on wildfire fire (https://www.fs.fed.us/managing-land/fire) and work with Federal and State forestry and fire agencies that carry out activities related to fire risk reduction, including upgrading mapping, data, and other capabilities to better manage wildfire fire risk areas. To maximize the impact of all available funds, all grantees are encouraged to coordinate and align these funds with other projects funded with CDBG—DR and CDBG-Mitigation funds, as well as other disaster recovery activities funded by the Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), the U.S. Forest Service, and other agencies as appropriate.

Grantees should note that a subsequent notice published on August 14, 2018 (83 FR 40314), which clarifies and/or modifies requirements in the February 9, 2018 notice, applies to grantees receiving funds under this notice. Specifically, grantees should note the following clarifications and modifications in the August 14, 2018 notice governing the use of these funds: Allowing for unmet economic revitalization and infrastructure needs (83 FR 40314), which are addressed in section 1 in this notice; the use of terminology around an evaluation of the cost or price of a product or service (83 FR 40317); additional requirements for the comprehensive disaster recovery website (83 FR 40317); clarification of working capital to aid in recovery (83 FR 40317); underwriting requirements (83 FR 40317); limitation of use of funds for eminent domain (83 FR 40317); increased public comment period (83 FR 40318); cost verification (83 FR 40318); additional criteria and specific conditions to mitigate risk (83 FR 40318–40319); the waiver of Section 414 of the Stafford Act as amended (83 FR 40319) and addressed in section IV.C.2. in this notice; modification of affordability periods for rental properties (83 FR 40320); clarification of the environmental review requirements (83 FR 40319); CDBG—DR housing assistance and FEMA’s permanent and semi-permanent housing programs (83 FR 40320); rehabilitation and reconstruction cost-effectiveness (83 FR 40321); infrastructure planning and design (83 FR 40321); discipline and accountability in the environmental review and permitting of infrastructure projects (83 FR 40321); and CDBG—DR funds as match for FEMA 428 Public Assistance projects (83 FR 40321).

Additionally, HUD published a notice on June 26, 2019 entitled, “Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees” (84 FR 28836) (2019 DOB Notice) and a second notice that implemented the 2019 DOB Notice by making corresponding amendments to the Prior Notices (Applicability of Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees, published at 84 FR 28848) (the “Implementation Notice”). These changes are explained in section IV.B.6. of this notice and in detail in the 2019 DOB Notice (84 FR 28836). Finally, the February 9, 2018 notice was also amended by the February 19, 2019 notice (84 FR 4836) with a clarification on green building standards (84 FR 4844).

III. Overview of Grant Process

Each grantee must submit an action plan for disaster recovery pursuant the requirements of section VI.A.2 of the February 9, 2018 notice (83 FR 5849), as modified by the requirements of the August 14, 2018 notice (83 FR 40314), not later than 120 days after the applicability date of this notice. All requirements of the Prior Notices related to the action plan submission shall apply, including the public comment period which was extended to not less than 30 calendar days under the August 14, 2018 notice (83 FR 40318), and the manner of publication which must include prominent posting on the grantee’s official website (83 FR 40317). Each grantee must publish the action plan in a manner that affords citizens, affected local governments, and other interested parties a reasonable opportunity to examine the contents and provide feedback. Each grantee must also submit the Financial Management and Grant Compliance submission and Pre-Award Implementation Plan pursuant to section VI.A.1 of the February 9, 2018 notice. All deadlines for these submissions are determined by the applicability date of this notice.

In the Prior Notices, the Department included its intention to establish special grant conditions for individual CDBG—DR grantees based upon the risks posed by the grantee, including risks related to the grantee’s capacity to carry out the specific programs and projects proposed in its action plan. As described in the Prior Notices, these conditions will be designed to provide additional assurances that programs are implemented in a manner to prevent waste, fraud, and abuse and the Department has established specific criteria and conditions for each grant award as provided for at 2 CFR 200.205 and 200.207(a), respectively, to mitigate the risks of the grant.

To begin expending CDBG—DR funds, the grantee must follow the process outlined in the February 9, 2018 notice (83 FR 5848), unless otherwise amended below:

- Within 60 days of the applicability date of this notice (or when the grantee submits its action plan, whichever is earlier), submit documentation for the certification of financial controls and procurement processes and adequate procedures for grant management, as amended in section IV.B.1 of this notice. A grantee that received a certification of its financial controls and procurement processes pursuant to a 2016 or 2017 disaster may request that HUD rely on that certification for purposes of this allocation, provided, however, that grantees shall be required to provide updates to reflect any material changes in the certifications.
- Within 60 days of the applicability date of this notice (or when the grantee
submits its action plan, whichever is earlier), submit documentation for the implementation plan and capacity assessment.

- Additionally, all funds must be expanded within 6 years of the date of obligation as described in section V of this notice.

III.A. Funds for Unmet Infrastructure Needs for Grantees That Received Allocations for 2017 Disasters

Each grantee that received an allocation pursuant to Public Law 115–56 or Public Law 115–123 for 2017 disasters and an additional allocation in this notice for unmet infrastructure needs is required to submit a substantial amendment to its current action plan required by the Prior Notices. The substantial amendment must be submitted no later than 90 days after the applicability date of this notice. The substantial amendment must include the additional allocation of funds and address all the requirements of the Prior Notices, as amended by this notice.

Each grantee must follow the applicable substantial amendment process pursuant to section III.B of the August 14, 2018 notice (83 FR 40316). Based on the 2019 Appropriations Act, HUD will condition the availability of these funds for grantees that have entered into alternative procedures under section 428 of the Stafford Act as of the date of enactment of the 2019 Appropriations Act until such grantees have reached a final agreement on all fixed cost estimates within the timeline provided by FEMA.

IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements

This section of the notice describes rules, statutes, waivers, and alternative requirements that apply to each grantee receiving an allocation under this notice. The Secretary has determined that good cause exists to apply each waiver and alternative requirement established in the Prior Notices to grantees receiving funds under this notice. The Secretary’s determination of good cause extends to each waiver and alternative requirement and is not inconsistent with the overall purpose of title I of the HCDQA. The Secretary’s determination of good cause extends to each waiver and alternative requirement as amended by this notice. Grants are reminded that all fair housing and nondiscrimination requirements, as well as environmental and labor requirements, continue to apply. The following requirements apply only to the CDBG–DR funds appropriated under the 2018 and 2019 Appropriations Acts (unless otherwise noted) and not to funds provided under the annual formula State or Entitlement CDBG programs, the Indian Community Development Block Grant program, or those provided under any other component of the CDBG program, such as the Section 108 Loan Guarantee Program, or any previous CDBG–DR appropriations, unless otherwise noted.

A grantee may request additional waivers and alternative requirements from the Department as needed to address specific needs related to the recovery activities, accompanied by data to support the request. Grantees should work with the assigned Community Planning and Development representatives to request any additional waivers or alternative requirements from HUD. Except where noted, the waivers and alternative requirements described below apply to all grantees under this notice. Pursuant to the requirements of the 2018 and 2019 Appropriations Acts, waivers and alternative requirements are effective 5 days after they are published in the Federal Register.

Except as described in this notice or the Prior Notices, statutory and regulatory provisions governing the State CDBG program shall apply to State grantees receiving a CDBG–DR grant. Except as described in this notice or the Prior Notices, statutory and regulatory provisions governing the entitlement CDBG program shall apply to any local government receiving a CDBG–DR grant. Based on the Prior Notices’ treatment of grantees in the CDBG Insular areas program, all references to states and State grantees shall include the Commonwealth of the Northern Mariana Islands and the American Samoa. State and Entitlement CDBG regulations can be found at 24 CFR part 576. References to the action plan for disaster recovery required by section 116.2 of the February 9, 2018 notice. All references in this notice pertaining to timelines and/or deadlines are in terms of calendar days unless otherwise noted. The date of this notice shall mean the applicability date of this notice unless otherwise noted.

IV.A. Incorporation of Waivers and Alternative Requirements for Local Governments

This notice extends the waivers and alternative requirements in the Prior Notices to states and local governments receiving grants under the 2018 and 2019 Appropriations Acts. Because the Prior Notices only govern grants to states, this notice amends the Prior Notices by adding regulations that apply to units of general local government the waivers previously granted by the Secretary (except in cases such as the timely distribution of funds, the consolidated plan waiver, or reimbursement where the Prior Notices already waive entitlement CDBG program regulations). Where requirements are different for units of general local government than the requirements applicable to states, this notice amends the Prior Notices to add the local government requirement.

IV.A.1. The Secretary amends the following sections of the February 9, 2018 notice to expand waivers to include waivers of the regulations that apply to local government grantees: In Section VI.A.2, Action Plan for Disaster Recovery waiver and alternative requirement, the Secretary waives 24 CFR 91.220; in section VI.A.4., Citizen participation waiver and alternative requirement, the Secretary waives 24 CFR 91.105(b) and (c); and in section VI.A.12, Use of the urgent need national objective, the Secretary waives 24 CFR 570.206(c). Grantees are responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). This waiver does not affect the statutory and regulatory obligations of CDBG–DR grantees to affirmatively further fair housing. As part of the CDBG–DR action plan, all grantees must certify that they will affirmatively further fair housing. For CDBG–DR grantees, this means conducting an Analysis of Impediments to Fair Housing Choice (AI), taking appropriate actions to overcome the effects of any impediments identified through that analysis, and keeping records of those actions.

IV.A.2. Procurement. This notice amends the sections of the February 9, 2018 notice to add additional requirements or to clarify procurement requirements that apply to local governments:

Paragraph V.A.1.a.(2) is modified after the sentence that begins “A State grantee (including the Commonwealth of Puerto Rico and the U.S. Virgin Islands) has proficient procurement policies and processes if...” to add the following sentence: “A local government grantee has proficient procurement policies and processes if it follows procurement requirements in the Uniform Administrative Requirements at 2 CFR 200.318 through 200.326, and imposes these requirements on its subrecipients.”

Paragraph VI.A.26 of the February 9, 2018 notice is modified by adding after the first paragraph, “Any local government receiving a CDBG–DR grant is subject to procurement requirements..."
in the Uniform Administrative Requirements at 2 CFR 200.316 through
200.326."

IV.B. Grant Administration

IV.B.1. Certification of financial controls and procurement processes, and adequate procedures for proper grant management. The 2018 and 2019 Appropriations Acts require that the Secretary certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5155, to ensure timely expenditure of funds, maintain a comprehensive, comprehensive, and cost-effective tracking and accounting of administration, costs, as necessary, and address the adoption of this treatment of administrative costs in the applicable portions of its Financial Management and Grant Compliance submissions as referenced in section VI.A.1 of the February 9, 2018 notice (83 FR 5847–5848). Grantees are reminded that all costs incurred for administration must still qualify as an eligible administration expense.

IV.B.2. Procurement. Grantees must comply with procurement requirements for states or for local governments, as applicable, in the Prior Notices (as amended).

IV.B.3. Use of administrative funds across multiple grants. The 2019 Appropriations Act authorizes special treatment of grant administrative funds for grantees that received awards under various CDBG–DR grants. Grantees that received awards under Public Laws 114–113, 114–223, 114–254, 115–31, 115–56, 115–123, and 115–254, or any future act may use eligible administrative funds (up to 5 percent of each grant that plus up to 5 percent of program income generated by the grant) appropriated by these acts for the cost of administering any of these grants without regard to the particular disaster appropriation from which such funds originated. If the grantee chooses to exercise this authority, the grantee must ensure that it has appropriate financial controls to ensure that the amount of grant administrative expenditures for each of the aforementioned grants will not exceed 5 percent of the total grant award for each grant (plus 5 percent of program income), review and modify its financial management policies and procedures regarding financial tracking and accounting of administration, costs, as necessary, and address the adoption of this treatment of administrative costs in the applicable portions of its Financial Management and Grant Compliance submissions as referenced in section VI.A.1 of the February 9, 2018 notice (83 FR 5847–5848). Grantees are reminded that all costs incurred for administration must still qualify as an eligible administration expense.

IV.B.4. Use of funds in response to Hurricane Matthew and Hurricane Florence (State of North Carolina and South Carolina only). The 2019 Appropriations Act provides that grantees that received CDBG–DR grants under Public Laws 114–113, 114–223, 114–254, and 115–31 in response to Hurricane Matthew may use those funds interchangeably for the same activities that can be funded by CDBG–DR grants in the most impacted and distressed areas related to Hurricane Florence. Specifically, these CDBG–DR grants in response to Hurricane Matthew may be used interchangeably and without limitation for the same activities in the most impacted and distressed areas related to Hurricane Florence.

Grantees are reminded that expanding the eligible beneficiaries of their Hurricane Matthew activities or programs to include those impacted by Hurricane Florence requires the submission of a substantial plan amendment in accordance with section VI.A.2 of the November 21, 2016 notice (81 FR 83254). Additionally, all waivers and alternative requirements associated with a CDBG–DR grant apply to the use of the funds provided by that grant, regardless of which disaster (Matthew or Florence) the funded activity will address.
disasters pursuant to Public Laws 114–113, 114–223, 114–254, and 115–31 ("previous requirements"). To avoid the administrative burden of implementing two different Uniform Relocation Assistance and Real Property Acquisition Act (URA) waivers and alternative requirements, HUD is authorizing grantees with CDBG–DR grants subject to the previous requirements to carry out its programs under the same (URA) requirements as is required for its grant(s) under the current requirements. HUD is authorizing grantees under Public Laws 114–113, 114–223, 114–254, and 115–31 that also received a CDBG–DR grant under Public Law 115–254 or 116–20 to either: (a) continue to follow One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements as provided in section VI.A.19. of the November 21, 2016 notice (81 FR 83866) for its Public Laws 114–113, 114–223, 114–254, and 115–31 CDBG–DR grants; or (b) follow the requirements of section VI.A.23.a. through e. of the February 9, 2018 notice (83 FR 58586) for its Public Laws 114–113, 114–223, 114–254, and 115–31 CDBG–DR grants. The grantees’ programs under the most recent Public Laws (Pub. L. 115–254 or 116–20) are already required to follow the waiver and alternative requirement defined in the February 9, 2018 notice (83 FR 58586). If a grantee chooses to follow option (b) above, then it must identify this approach in its policies and procedures related to that particular activity and consistently apply that option for all displaced persons affected by that activity.

IV.B. Clarification of benefits. The Prior Notices described duplication of benefits (DOB) requirements in Section 312 of the Stafford Act and subjected grantees to the requirements of a notice published in the Federal Register on November 16, 2011, at 76 FR 71060 (the "2011 DOB Notice"). HUD subsequently published the 2019 DOB Notice, which revised the DOB requirements that apply to CDBG–DR grants for disasters declared between January 1, 2015, and December 31, 2021. HUD also published a separate notice that implemented the 2019 DOB Notice (84 FR 26848) (the "Implementation Notice") by making corresponding amendments to the February 9, 2018 and August 14, 2018 notices. The amendments in the Implementation Notice provide that: the 2019 DOB Notice shall supersede the 2011 DOB Notice for any new programs or activities submitted in an action plan or action plan amendment on or after June 25, 2019.

Accordingly, grantees must comply with the requirements of the Prior Notices, including amendments in the Implementation Notice. Because the applicability date of this notice is after June 25, 2019, provisions of the Implementation Notice that apply only to grants made before June 25, 2019 do not apply to grants under the 2018 and 2019 Appropriations Acts.

IV.B.7. The waiver and alternative requirement in section VI.A.6. of the February 9, 2018 notice is replaced with the following language to include 2018 and 2019 disaster grantees: "HUD is temporarily waiving the requirement for consistency with the consolidated plan (requirements at 42 U.S.C. 12706, 24 CFR 91.326(a)(5) and 91.228(a)(5)), because the effects of a major disaster alter the grantees’ priorities for meeting housing, employment, and infrastructure needs. In conjunction, 42 U.S.C. 5304(e), to the extent that it would require HUD to annually review grantee performance under the consistency criteria, is also waived. Grantees are encouraged to incorporate disaster-recovery needs into their consolidated plan updates as soon as practicable, but any unmet disaster-related needs and associated priorities must be incorporated into the grantee’s next consolidated plan update no later than its Fiscal Year 2020 update for 2017 disasters and Fiscal Year 2022 for 2018 and 2019 disasters."


IV.C.1. Clarification on Affordability Periods and Amended Alternative Requirement. The Federal Register notice published on August 14, 2018 (83 FR 40320) imposed a 5-year affordability period on all newly constructed single-family housing units constructed with CDBG–DR funds. HUD intended to impose the affordability period only on single-family units constructed and sold by the grantee or its subrecipient through an affordable homeownership program. It was not intended to impose affordability restrictions where the beneficiary owned and occupied a home that was damaged by the disaster and the grantee then provides the owner-occupant with a newly constructed or reconstructed housing unit rather than rehabilitate the damaged home. HUD’s intent was to impose affordability restrictions when CDBG–DR funds are used to expand housing stock, not to replace damaged units owned and occupied by a beneficiary. Therefore, HUD is amending paragraph IV.B.10 of the August 14, 2018 notice by replacing it in its entirety with the following:

"10. Affordability Period for CDBG–DR funded Homeownership Programs. Grantees receiving funds under this notice are required to implement a minimum 5-year affordability period on all newly constructed single-family housing made available for low- and moderate-income homeownership through a CDBG–DR funded homeownership program. This notice requires any grantee implementing a CDBG–DR funded homeownership program to develop and impose affordability (i.e., resale or recapture) restrictions and to enforce those restrictions through recorded deed restrictions, covenants, or other similar mechanisms, for a period not less than 5 years. Grantees shall establish resale or recapture requirements for housing funded pursuant to this paragraph and shall describe those requirements in the action plan or substantial amendment in which the activity is proposed. The resale or recapture provisions must clearly describe the terms of the resale or recapture, the specific circumstances under which these provisions will be used, and how the provisions will be enforced. This affordability period does not apply to housing units newly constructed or reconstructed for an owner-occupant to replace an owner-occupied home that was damaged by the disaster."

IV.C.2. Clarification and Amendment on Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Federal Register notice published on February 19, 2019 (84 FR 4842) provided a waiver and alternative requirement of Section 414 for all grantees receiving a grant for a major disaster occurring in 2015, 2016, and 2017. This waiver and alternative requirement allowed grantees that received a grant(s) under Public Laws 114–113, 114–223, 114–254, and 115–31 to carry out its programs under the same Section 414 requirements as its grant(s) under Public Laws 115–56 or 115–123. To clarify this provision and extend the Section 414 waiver and alternative requirement to include grantees under those other Public Laws that are now receiving a grant under the 2018 and 2019 Appropriations Acts for a major disaster in 2018 or 2019, HUD is amending paragraph IV.2 of the February 19, 2019 notice by replacing it in its entirety with the following:

"2. Waiver of Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Section 414 of the Stafford Act (42 U.S.C. 5181) provides that
"Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-546) [42 U.S.C. 4601 et seq.] ("URA") shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by the URA."

Accordingly, homeowner occupants and tenants displaced from their homes as a result of the identified disaster and who would have otherwise been displaced, as a direct result of any acquisition, rehabilitation, or demolition of real property for a federally funded program or project, may become eligible for a replacement housing payment, notwithstanding their inability to meet occupancy requirements prescribed in the URA.

Grantees that received a CDBG-DR grant for a major disaster in 2015, 2016, or 2017 under Public Laws 114–113, 114–223, 114–254, or 115–31, and a CDBG-DR grant for a 2017, 2018, or 2019 major disaster under Public Laws 115–56, 115–123, 115–254, or 116–20 are subject to different alternative requirements with respect to protections afforded to tenants and homeowners under Section 414 of the Stafford Act.

To avoid the administrative burden of implementing two different URA alternative requirements, HUD is authorizing grantees under Public Laws 114–113, 114–223, 114–254, and 115–31 that also received a CDBG–DR grant under Public Law 115–56, 115–123, 115–254, or 116–20 to either: (a) Continue to follow Section 414 of the Stafford Act (or any grantees-specific alternative requirement previously authorized by HUD) for its Public Laws 114–113, 114–223, 114–254, and 115–31 CDBG-DR grants; or (b) follow the waiver and alternative requirement described in the following paragraph for its Public Laws 114–113, 114–223, 114–254, and 115–31 CDBG-DR grants. The grantee’s programs under the most recent Public Laws (Pub. L. 115–56, 115–123, 115–254, or 116–20) are already required to follow the waiver and alternative requirement defined below. If a grantee chooses to follow option (b) above then it must identify this approach in its policies and procedures related to that particular activity, and consistently apply that option for all displaced persons affected by that activity.

The waived and alternative requirements is as follows: Section 414 of the Stafford Act (including its implementing regulation at 49 CFR 24.403(d)(1)), is waived to the extent that it would apply to real property acquisition, rehabilitation, or demolition of real property for a CDBG–DR funded project, undertaken by the grantee or subrecipient, commencing more than one (1) year after the Presidentially declared disaster, provided that the project was not planned, approved, or otherwise underway prior to the disaster. For purposes of this paragraph, a CDBG–DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved Release for Request of Funds (RROF) and certification, or (2) the date of completion of the site-specific review when a program utilizes tiered environmental reviews, or (3) the date of sign-off by the approving official when a project converts to exempt under 24 CFR 58.34(a)(12). The Secretary has the authority to waive provisions of the Stafford Act and its implementing regulations that the Secretary administers in connection with the obligation of CDBG–DR funds covered under this waiver and alternative requirement, or the grantees’ use of these funds. The Department has determined that good cause exists for a waiver and that such waiver is not inconsistent with the overall purposes of title I of the HCGA. The waiver will simplify the administration of the disaster recovery process and reduce the administrative burden associated with the implementation of Stafford Act Section 414 requirements for projects commencing more than one (1) year after the date of the Presidentially declared disaster, considering the majority of such persons displaced by the disaster will have returned to their dwellings or found another place of permanent residence. This waiver does not apply with respect to persons that meet the occupancy requirements to receive a replacement housing payment under the URA or does it apply to persons displaced or relocated temporarily by other HUD-funded programs or projects. Such persons’ eligibility for relocation assistance and payments under the URA is not impacted by this waiver."

IV.C.3 Clarification on Procurement and Use of Subrecipients for State grantees only. The Federal Register notice published on February 9, 2018 (83 FR 5856) included a provision on the use of subrecipients that was applicable to State grantees only. In section VI.A.14. of that notice, HUD made 24 CFR 570.502, 570.503, and 570.500(c) applicable to states exercising their authority under the waiver to carry out activities directly. To eliminate any confusion regarding procurement requirements that are applicable to the State’s subrecipients, HUD is clarifying that 24 CFR 570.502, 570.503, and 570.500(c) apply to states carrying out activities directly, except for procurement requirements as provided for in the February 9, 2018 notice. Specifically, when HUD allows a State grantees the flexibility in section VI.A.1.(c) of the February 9, 2018 notice to choose one of three options when developing its procurement policies and procedures, and in paragraph VI.A.2.b., which requires State grantees to establish procurement requirements for local governments and subrecipients, those provisions continue to apply and will determine those procurement provisions of 2 CFR part 200 that are applicable to a State’s subrecipients.

IV.C.4 Clarification on Acquisition of real property, flood, and other buyouts to include Wildfire-Impacted Grantees. The Federal Register notice published February 9, 2018 (83 FR 5863) describes how grantees may carry out property acquisitions for a variety of purposes and that they may carry out a buyout program in a Disaster Risk Reduction Area. HUD is clarifying this provision so that grantees understand that wildland fire risk areas may also be identified by the grantees as Disaster Risk Reduction areas. Accordingly, HUD is amending paragraph IV.B.37.a. of the February 9, 2018 notice by adding the following language to the end of that section:

"37. Clarification of "Buyout" and "Real Property Acquisition" activities."

Wildfire risk areas may also be identified by the grantees as Disaster Risk Reduction areas eligible for a buyout to reduce risk from future wildfires. Grantees are encouraged to carry out property acquisitions as a means of acquiring contiguous parcels of land for uses compatible with wildland-urban interface management practices.

Grantees are also encouraged to take actions to promote an increase in hazard insurance coverage in the wildland fire risk areas."

V. Duration of Funding

The 2018 and 2019 Appropriations Acts make the funds available for obligation by HUD until expended. This notice requires each grantee to expend 100 percent of its CDBG–DR grant on eligible activities within 6 years of HUD’s obligation of funds under Public Laws 115–254 and 116–20 pursuant to an executed grant agreement.
that the purposes for which the appropriation has been made have been carried out and no disbursements have been made against the appropriation for two consecutive fiscal years, any remaining balance will be made unavailable for obligation or expenditure. In such case, the funds shall not be available for obligation or expenditure for any purpose after the account is closed.

VI. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.226 for State CDBG grantees and 14.218 for Entitlement CDBG Grantees.

VII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 10270, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3555 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800–877–8339 (this is a toll-free number).


Benjamin S. Carson, Sr., Secretary.

Appendix A—Detailed Methodology

Allocation of CDBG–DR Funds to Most Impacted and Distressed Areas Due to 2018 and 2019 Federally Declared Disasters

Background

The FAA Reauthorization Act of 2018 (Pub. L. 115–244) enacted on October 5, 2018, appropriated $1,680,000,000 through the Community Development Block Grant disaster recovery (CDBG–DR) program. The statutory text related to the allocation is as follows:

“...For an additional amount for “Community Development Fund”, $1,680,000,000, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas following a major disaster declared in 2018 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That funds shall be awarded directly to the State or unit of general local government at the discretion of the Secretary.”

Public Law 110–20 appropriated $2,431,000,000 through the Community Development Block Grant disaster recovery (CDBG–DR) program. The statutory text related to the allocation is as follows:

“For an additional amount for “Community Development Fund,” $2,431,000,000, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major disaster declared in 2018 or 2019 (except as otherwise provided under this heading) pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That funds shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974) at the discretion of the Secretary. ... Provided further, That of the amounts made available under this heading $431,000,000 shall be allocated to meet unmet infrastructure needs for grantees that received allocations for disasters that occurred in 2017 under this heading of division B of Public Law 115–56 and title XI of subdivision 1 of division B of Public Law 115–123, of which $331,424,114 shall be allocated to those grantees affected by Hurricane Maria...”

Most Impacted and Distressed Areas

As with prior CDBG–DR appropriations, HUD is not obligated to allocate funds for all major disasters occurring in the statutory timeframes. HUD is directed to use the funds “in the most impacted and distressed areas.” HUD has implemented this directive by limiting CDBG–DR formula allocations to grantees with major disasters that meet three standards:

1. Individual Assistance/Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.

2. Concentrated damage. HUD has limited its estimate of serious unmet housing needs to counties and ZIP Codes with high levels of damage, collectively referred to as “most impacted areas.” For this allocation, HUD is defining most impacted areas as either most impacted counties—counties exceeding $10 million in serious unmet housing needs—and most impacted ZIP Codes—ZIP Codes with $2 million or more of serious unmet housing needs. The calculation of serious unmet housing needs is described below.

3. Disasters meeting the most impacted threshold. Only 2018 and 2019 disasters that meet this requirement for most impacted damage are funded if one or more county or ZIP Code meets the thresholds above. Note that this allocation only includes disasters declared as of October 4, 2019. Other 2019 disasters will be addressed in a future notice.

For disasters that meet the most impacted threshold described above, the unmet need allocations are based on the following factors summed together:

1. Repair estimates for seriously damaged owner-occupied units without insurance (with some exceptions). In most impacted areas after FEMA and SBA repair grants or loans; an estimate for homeowners served by FEMA’s Permanent Housing Construction program is also deducted from the homeowner unmet need estimate;

2. Repair estimates for seriously damaged rental units occupied by very low-income renters in most impacted areas;

3. Repair and content loss estimates for small businesses with serious damage denied by SBA; and

4. The estimated local cost share for Public Assistance Category C to G projects.

Methods for Estimating Serious Unmet Needs for Housing

The data HUD uses to calculate unmet needs for 2018 qualifying disasters come from the FEMA Individual Assistance program data on housing unit damage as of July 17, 2019. The data for 2019 qualifying disasters is as of November 13, 2019.

The core data on housing damage for both the unmet needs calculation and the concentrated damage are based on home inspection data for FEMA’s Individual Assistance program and SBA’s disaster loan program. HUD calculates “unmet housing needs” as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA and SBA.

Each of the FEMA Inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than $3,000 of FEMA inspected real property damage.
- Minor-High: $3,000 to $7,999 of FEMA inspected real property damage.
- Major-Low: $8,000 to $14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor.
- Major-High: $15,000 to $28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
severity: Greater than $28,800 of FEMA-Inspect real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

When owner-occupied properties also have a personal property inspection or only have a personal property inspection, HUD reviews the personal property damage amounts such that if the personal property damage places the property into a higher need category over the real property assessment, the personal property amount is used as follows:

- **Minor-Low**: Less than $2,500 of FEMA inspected personal property damage.
- **Minor-High**: $2,500 to $4,499 of FEMA inspected personal property damage.
- **Major-Low**: $3,500 to $4,999 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- **Major-High**: $3,500 to $9,999 of FEMA inspected personal property damage or 4 to 6.9 feet of flooding on the first floor.
- **Severe**: Greater than $9,000 of FEMA inspected personal property damage or determined destroyed and/or 7 or more feet of flooding on the first floor.

To meet the statutory requirement of “most impacted” in this legislative language, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA inspected real property damage of $8,000 or above, personal property damage of $3,500 or above, or flooding 1 foot or above on the first floor.

Furthermore, a homeowner with flooding outside the 1 percent risk flood hazard area is determined to have unmet needs if they reported damage and no flood insurance to cover that damage. For homeowners inside the 1 percent risk flood hazard area, homeowners without flood insurance with flood damage below the greater of national median or 120 percent of Area Median Income are determined to have unmet needs. For homeowners with flood damage, homeowners without flood insurance with damages below the greater of national median or 120 percent of Area Median Income are included as having unmet needs.

FEMA does not inspect rental units for real property damage as personal property damage is used as a proxy for unit damage. Each of the FEMA-Inspected rental units are categorized by HUD into one of five categories:

- **Minor-Low**: Less than $1,000 of FEMA inspected personal property damage.
- **Minor-High**: $1,000 to $1,999 of FEMA inspected personal property damage.
- **Major-Low**: $2,000 to $3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- **Major-High**: $3,500 to $7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- **Severe**: Greater than $7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To calculate unmet needs for rental properties, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA personal property damage assessment of $2,000 or greater or flooding 1 foot or above on the first floor.

FEMA finds that landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income less than the greater of the Federal poverty level or 60 percent of median income. Units occupied by a tenant with income less than the greater of the poverty level or 50 percent of median income are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the median real property damage repair costs determined by the SBA for its disaster loan program for the subset of homes inspected by both SBA and FEMA for each eligible disaster.

Minimum multipliers are not less than the 1st quarter median for all Individual Assistance (IA) eligible disasters combined in each disaster year at the time of the allocation calculation, and maximum multipliers are not more than the 4th quarter median for all IA eligible disasters combined in each disaster year with data available as of the allocation. Because SBA is inspecting for full repair costs, their estimate is precluded to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. If there is a match of fewer than 20 SBA inspections to FEMA inspections for any damage category, the minimum multiplier is used.

For each household determined to have unmet housing needs (as described above), their estimated average unmet housing need is equal to the average cost to fully repair a home to code less assistance from FEMA and SBA provided for repair to the home, based on their damage category (noted above).

**Methods for Estimating Serious Unmet Economic Revitalization Needs**

Based on SBA disaster loans to businesses using data for 2018 disasters from as of date July 17, 2018 and for 2019 disasters from as of the date November 14, 2019, HUD calculates the median real estate and content loss by following the damage categories for each state:

- **Category 1**: Real estate + content loss = below $12,000
- **Category 2**: Real estate + content loss = $12,000-$29,999
- **Category 3**: Real estate + content loss = $30,000-$64,999
- **Category 4**: Real estate + content loss = $65,000-$149,999
- **Category 5**: Real estate + content loss = $150,000+

For properties with real estate and content loss of $20,000 or more, HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimates for the categories above by the number of small businesses denied an SBA loan, including those denied a loan prior to inspection due to inadequate credit or income (or a decision had not been made), under the assumption that damage among those denied at pre-inspection have the same distribution of damage as those denied after inspection.

**Methods for Estimating Unmet Infrastructure Needs**

To calculate 2018 and 2019 unmet needs for infrastructure projects, HUD obtains FEMA cost estimates (as of July 17, 2018 for the 2018 disasters and November 13, 2019 for 2019 disasters) of the expected local cost share to repair the permanent public infrastructure (Categories C to G) to their pre-storm condition.

To calculate additional infrastructure unmet needs for 2017 disasters, HUD compares the change in FEMA Category C to G local cost match estimates between March 2018 (when funds had been allocated under Pub. L. 115-23) and November 2019. For grantees impacted by Hurricane Maria—Puerto Rico and the Virgin Islands—the statutorily required allocation of $331,442,114 is allocated proportional based on their relative share of growth in Category C to G local match cost estimates. For other 2017 grantees where the November 2019 estimate exceeds the March 2018 estimate, each grantee is first increased dollar-for-dollar to their local match requirements. For any of the remaining funds of the required $431 million for 2017 disasters, they are allocated to the non-Maria disasters that have been funded at 100 percent or less of infrastructure match needs proportional to their share of eligible grantees' November 2019 estimated infrastructure match needs.

**Allocation Calculation**

Once eligible entities are identified using the above criteria, the allocation to Individual grantees represents their proportional share of the estimated unmet needs. For the formula allocation, HUD calculates total unmet recovery needs for eligible 2018 and 2019 disasters as the aggregate of:

- Serious unmet housing needs in most impacted counties;
- Serious unmet business needs; and
- Unmet Infrastructure need.

Two jurisdictions have their unmet needs calculations adjusted due to unusual circumstances not covered in the standard methodology. First, Hawaii County in Hawaii has 76 homes that were not damaged but are completely surrounded by lava fields. HUD assumes that those homes will never be habitable and categorizes them as destroyed with no insurance for the serious unmet need calculation. Second, FEMA is administering its Permanent Housing Construction program in the Northern Marianas and expects to serve 455 homeowners with seriously damaged homes. As such, HUD subtracts the unmet needs of 455 homeowners from the base estimate.
Agenda Item #16

Review and Consideration for Approval to Issue a Request for Proposals (RFP) for Consulting Services

Background:
The Chair believes the upcoming leadership transition at NIFA creates a unique opportunity to capture the institutional wisdom of NIFA for the benefit of the incoming leadership. In addition to documenting the existing opportunities, challenges and practices, the expectation is that the study would include recommendations for elements of a “management dashboard” to serve as a vehicle for coordination between the board and NIFA staff, and an outline and procedures for a standing, external risk management advisory committee. Staff would select no more than six consulting firms for receipt of the RFP, inviting each to respond with a proposal describing their qualifications, experience and proposed process, together with an estimated budget for services. The effort would begin in the second quarter and be completed by the end of the 3rd quarter of 2020. An auxiliary NIFA budget appropriation by the Board prior to entering into an agreement for the services outlined in the successful RFP would be required.

Action Needed:
Approval to issue RFP for consulting services
Agenda Item #17

Review of Proposed NIFA Mission, Vision, Standards and Ethical Practices Statement

Background:

NIFA’s Mission(*):
Provide Nebraskans affordable financing and technical assistance for targeted housing, agriculture, industrial and health care programs and projects.

(*) NIFA’s official mission statement is: Provide Nebraskans a broad range of financial resources for homeownership, rental housing, agriculture, manufacturing, medical and community development endeavors. NIFA also provides technical assistance for activities related to these areas, while preserving and growing the asset base used to provide these resources.

NIFA’s Vision (**):
Improve lives, operations and resources... with partnerships, technology, growth and teaching.

(**) NIFA Statement of Vision & Strategy approved by the NIFA Board of Directors on June 15, 2018 is attached.

NIFA’s Operating Standards:
Precision, accuracy, timeliness and transparency in what we do and produce.

NIFA’s Statement of Ethical Practices:
NIFA Code of Conduct and Ethics

Action Needed:
Discussion only
NIFA Statement of Vision & Strategy
Approved by NIFA Board of Directors June 15, 2018

Programs
Vision Statement: NIFA programs foster public/private partnerships
Strategy Statement: Public/private partnerships (P3) and collaborations become the standard for delivering NIFA’s resources.

People
Vision Statement: Own the mission and strive to improve
Strategy Statement: NIFA’s objectives are clear, aligned with the mission, and accomplished through staff and partner collaboration.

Technology
Vision Statement: Improve operations and communication through channeled technology
Strategy Statement: NIFA uses technology to operate and make resources available through logical channels.

Financial
Vision Statement: Enhance and diversify revenue sources
Strategy Statement: NIFA grows new revenue from diverse sources while improving existing operations and programs.

Communications
Vision Statement: Share success with others as a learning and teaching tool.
Strategy Statement: Expand the knowledge base of housing and community development opportunities by providing technical assistance in strong relationships.
NEBRASKA INVESTMENT FINANCE AUTHORITY
CODE OF CONDUCT AND ETHICS
(Adopted by the Board of Directors on April 23, 2004)

ARTICLE I

INTRODUCTION AND GENERAL STATEMENT

The Nebraska Investment Finance Authority ("NIFA") is committed to conducting all NIFA business in a manner that conforms to the highest ethical, moral and legal principles.

The maintenance of high standards of honesty, integrity, impartiality, and conduct of NIFA's board members and employees is essential to assure the proper performance of NIFA's business. The avoidance of misconduct and conflicts of interest, or the appearance of misconduct and conflicts of interest, on the part of the board members and employees of NIFA is indispensable to the maintenance of these standards.

This Code of Conduct and Ethics ("Code") is intended as a guide. Given the variety and complexity of NIFA's activities and the required representation on the NIFA board by persons experienced in those areas served by NIFA, situations where ethical decisions may arise will occur from time to time. As a result, this Code is not an all-inclusive listing. When situations require interpretation of ethical principles, NIFA board members and employees should remember NIFA's commitment to operating in the highest moral, ethical and legal manner and should feel free to discuss any questions with NIFA's Executive Director, a member of the NIFA Audit Committee, NIFA's general counsel or, additionally in the case of employees, their supervisors.

In their conduct with others—including other employees, those persons and entities served by NIFA or utilizing NIFA programs and resources (the "customers") and outside professionals retained by NIFA—NIFA board members and employees should exercise care to comply with this Code and to avoid any appearance of impropriety or violation of this Code.

ARTICLE II

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

NIFA is a body politic and corporate, not a state agency, but an independent instrumentality exercising essential public functions. The business of NIFA shall be conducted in compliance with all applicable laws, rules and regulations at all federal, Nebraska state and Nebraska local levels of government.
ARTICLE III

CONFLICTS OF INTEREST

NIFA board members and employees must avoid any activity or interest that might reflect unfavorably upon their own integrity or good name, or the integrity and good name of NIFA. Each individual must avoid not only situations which give rise to a personal conflict of interest, but also those situations which create the appearance of such a conflict of interest.

A “conflict of interest” occurs when an individual’s private interest interferes in any way with the interests of NIFA as a whole. A conflict situation can arise when an employee or NIFA board member takes actions or has interests that may make it difficult to perform his or her NIFA work objectively and effectively. Conflicts of interest also arise when an employee or NIFA board member, or a member of his or her family, receives improper personal benefits as a result of his or her position with NIFA.

The perception or appearance of a conflict is not a conflict per se. However, board members and employees should be sensitive at all times to the “appearance of conflicts” in the course of performing their NIFA duties. Such appearances or perceptions of a conflict are covered by this Code.

The existence of a conflict of interest may not always be clear; board members and employees are encouraged to consult with NIFA’s Executive Director, a member of the NIFA Audit Committee, NIFA’s general counsel or, additionally in the case of an employee, the employee’s supervisor for any questions regarding a potential conflict. Any board member or employee that becomes aware of a conflict or potential conflict, should immediately bring it to the attention of a member of NIFA’s Audit Committee, the Executive Director or NIFA’s general counsel.

The Nebraska Investment Finance Authority Act (the “NIFA Act”) (Section 58-235) sets forth the statutory conflict of interest provisions applicable to NIFA board members and employees. (A copy of Section 58-235 is attached hereto as Attachment A). The following describes the conflict of interest provision of the NIFA Act, its requirements, the exceptions and the guidelines for compliance with the requirements.

- The Act requires that all board members and employees of NIFA immediately disclose in writing the nature and extent of any present, prospective or later acquired direct or indirect interest in any transaction with NIFA as soon as such board member or employee has knowledge of such interest.

- Upon receipt of such written disclosure, the disclosure is required to be entered into the NIFA meeting minutes.

- After disclosure, the interested board member or employee may not participate in any action by NIFA to authorize the transaction. An interested board member should not vote on the proposed transaction, nor should the interested board member or employee engage in any board discussion of the proposed transaction.
(In some past situations, board members have elected to excuse themselves from that portion of a meeting where an item with which they determined there was a conflict was discussed, leaving the room during the discussion and action.)

- The fact that a board member or employee is also an officer or owner of an organization is not deemed a direct or indirect interest unless (a) such board member or employee has an ownership interest of greater than 5% of the organization involved in the transaction with NIFA, or (b) the transaction in question does not involve all similar organizations, but involves only NIFA and such organization.

The conflict of interest provision of the NIFA Act requires any board member or employee of NIFA “who has, will have, or later acquires” a direct or indirect interest in any transaction with NIFA to immediately disclose in writing to NIFA the nature of the actual or prospective interest. NIFA then must enter the disclosure into its minutes. After disclosure, such board member or employee is not allowed to participate in any action by NIFA authorizing the transaction.

The NIFA Act requires that board members and employees disclose not only any present interest, but also any reasonably foreseeable future interest in any transaction with NIFA. Therefore, if a board member or employee believes there is a potential for a conflict of interest in the future, the NIFA Act requires that the member disclose that belief to NIFA.

The NIFA Act addresses two types of interest to be disclosed: direct and indirect. An example of a direct interest would be a board member or employee selling products or services to NIFA. In this instance, the board member or employee would be “directly” involved in the transaction. Indirect interests, on the other hand, are not always so obvious. The more common occurrences may involve transactions NIFA might enter into with a board member or employee’s spouse, transactions with a corporation in which the board member or employee’s spouse has an ownership interest or holds a fiduciary position, transactions between NIFA and a subsidiary when a board member or employee owns stock in the parent company, and transactions between NIFA and a corporation in which a board member or employee of NIFA is a fiduciary of the corporation. Being an officer or director is a common example of a fiduciary relationship.

The NIFA Act does not forbid NIFA from transacting business with its board members or employees. In fact, the very nature of the legislatively-mandated board member representation almost per se creates potential conflicts. In order to ensure the fairness of the transaction, the interested board member or employee may not “participate” in authorizing the transaction.

ARTICLE IV

PERSONAL BUSINESS OPPORTUNITIES

NIFA board members and employees are prohibited from taking for themselves opportunities that are discovered through the use of NIFA property, information or position unless such opportunity is disclosed to and approved by the NIFA board of directors. NIFA board members and employees shall not use NIFA property, information or position for personal
gain nor shall they compete with NIFA directly or indirectly. Former NIFA employees shall not be permitted to appear before the NIFA board or contact NIFA employees on behalf of themselves or on behalf of any party with respect to NIFA business for a period of 12 months after their departure from NIFA employment.

ARTICLE V

CONFIDENTIALITY

NIFA board members and employees must maintain the confidentiality of information entrusted to them by NIFA, its employees or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all nonpublic information.

ARTICLE VI

FAIR DEALING

Each NIFA board member and employee shall deal fairly with NIFA’s customers, vendors, contractors and employees. No NIFA board member or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

ARTICLE VII

PROPER USE OF NIFA PROPERTY

All NIFA board members and employees shall use NIFA’s property in a manner consistent with the interests of NIFA. Employees should not place personal information or items in or on NIFA property if they do not want such information or items subjected to disclosure to NIFA. If necessary, NIFA may search employees’ work spaces (including desks and computer systems), voice mail or other areas or items which are NIFA property. NIFA equipment, systems, facilities, charge cards and supplies should be used in a manner consistent with the interests of NIFA.

ARTICLE VIII

BUSINESS GIFTS

No NIFA board member or employee may receive gifts, goods, services, payments, rebates, privileges, unusual entertainment or other favors from, or give such items to, a current or prospective program participant, supplier, vendor, customer, retained professional or other interested party, unless (a) receipt or delivery of such item, event or service is customary, proper and consistent with good business practices and local custom, (b) the amount involved is nominal, that is, does not exceed $150 and (c) public disclosure of the matter would not embarrass the individual or NIFA. Any other exceptions to this policy must be fully disclosed in writing to and approved by the Executive Director prior to receipt and acceptance or delivery of the item in question; and any such exceptions for the Executive Director must be approved by the
board of directors. All exceptions to this policy which are approved by the Executive Director shall be reviewed periodically by the Audit Committee.

The foregoing shall not apply to (a) meals to be immediately consumed and (b) when held within the boundaries of the State of Nebraska, annual or irregular sporting events (golf, athletic events, hunting, etc.), economic development or economic tourism events, charitable events or the transportation to and from such events.

No board member or employee shall solicit, accept or agree to accept for themselves or for transfer to others any direct or indirect benefit or gratuity as consideration for a decision, opinion, recommendation, transaction, vote or other exercise of discretion by a board member, employee, or other agent or representative of NIFA.

No board member or employee shall borrow from professional advisors or consultants, banks or other financial institutions with which NIFA has a business relationship, except and unless such entities are normally engaged in such lending in the usual course of their business, and then only on terms offered to others under similar circumstances. No board member or employee shall obtain or accept any special property rights or business opportunities or business advantages from entities with which NIFA has a business relationship which are not otherwise provided in the usual course of their business in terms offered to others under similar circumstances.

ARTICLE IX

INSIDER TRADING

It is illegal for any person, either personally or on behalf of others, to trade in securities of NIFA on the basis of material, nonpublic information. It is also illegal to communicate (to "tip") material, nonpublic information to others so that they may trade in NIFA securities on the basis of that information. These illegal activities are commonly referred to as "insider trading." Penalties for insider trading violations include civil and criminal fines and imprisonment. There may also be liability to those damaged by the trading.

NIFA's policy, applicable to all NIFA board members and NIFA personnel, prohibits trading and tipping others to trade, when any individual possesses material, nonpublic information. The disclosure of material, nonpublic information to others can lead to significant legal difficulties as noted above, and material nonpublic information should not be discussed with anyone, except as required in the performance of an individual's regular duties. IT IS THE POLICY OF NIFA, AS ESTABLISHED BY THE BOARD OF DIRECTORS, THAT NIFA STAFF SHALL NOT RESPOND TO INDIVIDUAL INQUIRIES FROM NIFA BOARD MEMBERS WITH RESPECT TO THE PREPAYMENT OR REDEemption OF SPECIFIC SERIES OF NIFA BONDS. ANY QUESTIONS REGARDING THE PURCHASE OR SALE OF SECURITIES OF NIFA MAY BE ADDRESSED TO NIFA'S EXECUTIVE DIRECTOR OR NIFA'S GENERAL COUNSEL.
ARTICLE X

ACCURATE BOOKS AND REPORTING/REIMBURSEMENT OF EXPENSES

No undisclosed or unrecorded funds or assets of NIFA shall ever be established. No false or artificial entry or statement shall be made in any book, record or statement of NIFA for any reason, and no board member or employee shall steal or embezzle any funds or assets of NIFA or engage in any arrangement that results in any such act.

All reporting of information (e.g., expense reports, invoice transmittals, etc.) shall be accurate, honest and timely and should be a fair representation of the facts.

NIFA board members and employees shall be reimbursed for actual, necessary and reasonable expenses incurred in the discharge of their official duties as set forth in the NIFA Act upon submission of valid receipts for expenditures greater than $25 on reimbursement forms approved by NIFA. The Executive Director shall have the authority to disapprove such expenses if, in his or her discretion, such expenses are not necessary or reasonable.

No transaction shall be effected, and no payment shall be made, on behalf of NIFA with the intention or understanding that the transaction or payment is other than as described in the documentation evidencing the transaction or supporting the payment. Any board member or employee who believes any such fund, asset, entry, transaction or payment might exist shall make full disclosure to NIFA's Executive Director. Any board member or employee concerned for any reason about making a report to his or her supervisor or to the Executive Director, should report the matter to a member of the NIFA Audit Committee.

ARTICLE XI

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political contributions of NIFA funds are to be made to, or NIFA assets or facilities used for, directly or indirectly, candidates for political office or political organizations. Board members or employees may, of course, contribute personally to the candidates or party of their choice, but no board member or employee shall be compensated or reimbursed for any such personal contribution.

NIFA board members and employees shall not solicit from NIFA customers, vendors, contractors, professionals or others doing business with NIFA, gifts or charitable contributions for activities or events unrelated to NIFA business in excess of $150 unless such solicitations are pursuant to an established independent review process by the party to whom the request is made and open to application by other qualifying entities.

ARTICLE XII

PAYMENTS TO GOVERNMENT OFFICIALS OR OTHERS

The use of NIFA funds or assets for any purpose that would be in violation of applicable laws and regulations is prohibited. Also, no bribes, kickbacks or other payments for illegal
purposes shall be made to or for the benefit of government officials, dealers, suppliers, vendors, customers or others. This policy extends not only to direct payments, but also to indirect payments made in any form through consultants or other third parties.

ARTICLE XIII

IMPLEMENTATION OF POLICY

All board members and employees of NIFA shall comply in all respects with the policies contained in this Code. Employees are encouraged to talk to their direct supervisor or the Executive Director when in doubt about the best course of action in a particular situation. The Executive Director shall discuss any matters involving the Executive Director with a member of the Audit Committee.

Board members and employees may be required from time to time to certify that they have recently reviewed the Code and are complying with all of NIFA’s policies regarding business conduct and responsibilities.

On all questions of compliance and interpretation, appropriate NIFA legal and NIFA accounting staff should be consulted. Questions regarding this Code which can not be answered by the managers of the respective operating divisions and staff departments shall be referred directly to NIFA’s Executive Director.

Any board member or employee who becomes aware of any violation of laws, rules, regulations or the Code must immediately report such violation to any one or more of the following persons: his or her supervisor, the Executive Director or a member of the Audit Committee.

Any supervisor who receives such a report shall, in turn, report the violation to any one or more of the following persons: the Executive Director or a member of the Audit Committee. When the Executive Director receives such a report, he or she shall report the violation to the Audit Committee.

NIFA does not allow retaliation for (a) reports of illegal or unethical behavior by others made in good faith by employees or (b) the submission of good faith concerns regarding questionable accounting or auditing matters.

All matters involving the Executive Director shall be reported to a member of the Audit Committee or to NIFA’s general counsel.

Any waiver of the policies contained in this Code for the Executive Director or board members may be made only by the NIFA board of directors.
ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of the Nebraska Investment Finance Authority Code of Conduct and Ethics adopted by the Board of Directors of NIFA on April 23, 2004, and will conduct all business in a manner that conforms to the highest ethical, moral and legal principal, and agree that I will comply with and be bound by this policy.

I have read this Code of Conduct and Ethics and understand its contents and will abide by its provisions. I further acknowledge that it is my responsibility to ask the Executive Director, a member of the Audit Committee or NIFA’s general counsel if I have questions related to any of the information contained in this policy.

________________________________________
Signature

________________________________________
Date
ATTACHMENT A

§ 58-235 of the Nebraska Investment Finance Authority Act

Authority; member or employee; conflict of interest; disclosure. Any member or employee of the authority who has, will have, or later acquires any direct or indirect interest in any transaction with the authority shall immediately disclose the nature and extent of such interest in writing to the authority as soon as he or she has knowledge of such interest. Such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such member or employee shall not participate in any action by the authority authorizing such transaction. Actions taken when such member or employee reasonably believed that he or she had no conflict shall not be invalidated because of such conflict. The fact that a member is also an officer or owner of an organization shall not be deemed to be a direct or indirect interest unless (1) such member has an ownership interest of greater than five percent in such organization or (2) the transaction in question does not involve all similar organizations but involves only the authority and such organization.