

# Closing the Gap: Layering CDBG-DR in LIHTC Deals

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## Overview



DR-4420: Winter Storm Ulmer | \$108,938,000



Affordable Housing  
Construction Program \$56.8M

- CDBG-DR + LIHTC
- Small Rental (non-LIHTC)
- Homeownership Production Program (Single Family)



Partnered with Nebraska Investment Finance Authority (NIFA) –  
Nebraska's Housing Finance Authority (HFA)

Layered with 9% LIHTC/AHTC & 4%/Tax Exempt Bonds



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# COLLABORATION IN ACTION

How did we make it work?

- **MOU**
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## JOINT QAP

Failure to submit the Application in the preceding manner will result in the Application being returned to the applicant without NIFA's and/or NDED's review. The Application must be filled out completely, with all questions and items completed. Inaccurate or incomplete information in the application may result in forfeiture of any LHTC reserved or allocated.

The Application provides a joint application process for all applicants applying to NIFA for LHTC AHTC and to NDED for HOME, CDBG-DR, and HTF programs.

1. Sections marked with **"HM"** in the title refers to all CDBG-DR-specific elements included in application.
2. Sections marked with **"NON-DR"** in the title refers to all elements included in the application that are not applicable to CDBG-DR.
3. Sections marked with **"HOME"** in the title refers to all HOME -specific elements included in application.
4. Sections marked with **"HTF"** in the title refers to all HTF-specific elements included in application.

**INQUIRIES** should be directed to:

**LHTC and AHTC Program:**  
LHTC Allocation Manager  
Nebraska Investment Finance Authority  
1230 O Street, Suite 200  
Lincoln, NE 68508-1402  
Telephone: (402) 434-3900  
Fax: (402) 434-3921  
Web Address: [www.nifa.org](http://www.nifa.org)

**HOME/HTF Program:**  
Michele Grimes  
Nebraska Department of Economic  
Development  
P.O. Box 34666  
Lincoln, NE 68509  
Telephone: (402) 309-4536  
Email: [michele.grimes@nebraska.gov](mailto:michele.grimes@nebraska.gov)  
Web Address: [www.opportunitynebraska.org](http://www.opportunitynebraska.org)

**CDBG-DR Program:**  
Christina Zink  
Nebraska Department of Economic  
Development  
301 Centennial Mall South, 4<sup>th</sup> Floor  
Lincoln, NE 68509  
Telephone: (402) 309-4536  
Email: [christina.zink@nebraska.gov](mailto:christina.zink@nebraska.gov)  
Web Address: [www.opportunitynebraska.org](http://www.opportunitynebraska.org)

### HOUSING DEVELOPMENT DESIGNATION

Two (2) points will be awarded to developments, located, or to be located, in a county that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster.

The list of eligible counties is as follows:

Antelope	Boone	Boyd
Buffalo	Burt	Butler
Cass	Colfax	Cuming
Custer	Dawson	*Dodge
*Douglas	Hall	Holt
Howard	Knox	Madison
Nance	Nemaha	Pierce
Platte	Richardson	Saline
Santee Reservation	*Sarpy	Saunders
Stanton	Thurston	Washington

Points Available  
0, 2 or 3

### OR

Three (3) points will be awarded to housing developments, located or to be located in a community that is included in DR-4420 or that at any time during the prior three (3) years, has been designated as natural disaster area pursuant to a Presidential Disaster Declaration, and with respect to which NIFA has determined (using available information, including information from partner organizations (e.g. FEMA)) that there is a significant loss of housing as a result of such natural disaster. The list of eligible communities is as follows:

Fremont	Gretna	Inglewood
La Vista	Papillion	Waterloo
Valley	Springfield	Bellevue

Developments will only receive points in one of these categories (not both). Amounts requested or allocated from CDBG-DR funds under the program guidelines will be further governed and/or limited by HUD program overrules.

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## JOINT QAP

### GREEN STANDARDS (INCLUDED IN EXHIBIT 209):

A maximum of 6 points are available in this category.

- Development will include a geothermal (ground source), closed loop heat pump system or active solar that will generate at least 25% of the total energy load for each unit. (3 points)
- Installation of internet connected smart thermostat for every HVAC system. (Can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit). (2 points)
- All mechanical equipment installed will be Energy Star® rated or better. (2 points)
- All exterior windows and doors will have an average R-value of 3.75 (.267 U Factor). (1 point)
- All exterior lighting will be photocell or timer controlled. (1 point)
- All carpet will include recycled-content carpet pad and carpet. (1 point)
- All interior paints and finishes will contain less than 250 grams/liter of VOCs. (1 point)
- Development will utilize water conservation techniques, such as water-efficient appliances and fixtures, low water landscaping and irrigation, and gray water. (1 point)
- Builder will follow a written waste reduction, recycle, and reuse plan. (1 point)
- Development will utilize passive solar building design. (Examples include, but are not limited to: building orientation, earth coupling, thermal mass, window sizing and placement, overhangs or landscaping for shading, sky lights, double-glazed glass in windows, or thermal insulation.) Please include a description of the design elements in the architect's certification. (1 point)
- Development will meet or exceed the requirements of the CDBG-DR Green Standards. The CDBG-DR Eligibility Requirements are available at [https://opportunity.nebraska.gov/program/cdbg\\_dir/#housing-construction](https://opportunity.nebraska.gov/program/cdbg_dir/#housing-construction) (6 points)

Note: Failure to fulfill the commitment to provide any of the above green standards will result in the revocation of LIHTC and AHTC.

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## JOINT APPLICATION

### C. EXHIBIT CHECKLIST

The following is a checklist of materials for submission with the Application. Please upload each Exhibit in the online funding application.

Applicants may also self-score all pertinent items and enter the appropriate number of points earned for each requirement. **NOTE: Applications must meet all Threshold Criteria Items. Applications that do not submit all applicable Threshold Exhibits will not be considered for an allocation of LIHTC and AHTC.** All information in the Exhibits must meet or exceed the provided exhibit descriptions and be dated within one year of the applicable final application deadline. For a detailed description of the Threshold Exhibits, please refer to page 35.

Threshold Exhibits	Description
<input type="checkbox"/> EXHIBIT 1	Provide a one (1) page summary of the proposed development
<input type="checkbox"/> EXHIBIT 2	Details of any sale or transfer of LIHTC and AHTC (if applicable)
<input type="checkbox"/> EXHIBIT 3	Non-profit information ( <b>See Exhibit Examples</b> ) (if applicable)
<input type="checkbox"/> EXHIBIT 4	Relocation assistance plan (if applicable)
<input type="checkbox"/> EXHIBIT 5	Evidence of rental assistance (if applicable)
<input type="checkbox"/> EXHIBIT 6	Current utility allowance documentation
<input type="checkbox"/> EXHIBIT 7	Pictures of the site/structure taken from each direction. ( <b>North, South, East, &amp; West</b> )
<input type="checkbox"/> EXHIBIT 8	Location Map (See Exhibit Examples for more information)
<input type="checkbox"/> EXHIBIT 10	<b>Exhibits 10-20 are required only if applying for HOME, CDBG-DR, or HTF</b> Site Visit Review and Approval ( <b>HOME/HTF/CDBG-DR</b> ) The CDBG-DR "crosswalk" aka "DED-NIFA Joint Application, CDBG-DR Requirements" is available in the project toolbox at: <a href="https://opportunity.nebraska.gov/program/cdba_dr/#housing-construction">https://opportunity.nebraska.gov/program/cdba_dr/#housing-construction</a>
<input type="checkbox"/> EXHIBIT 11	Environmental review record and process and Determination of Level of Review ( <b>HOME/CDBG-DR</b> ) HTF refer to: <a href="https://files.hudexchange.info/resources/documents/Notice-CPD-16-14-Requirements-for-HTF-Environmental-Provisions.pdf">https://files.hudexchange.info/resources/documents/Notice-CPD-16-14-Requirements-for-HTF-Environmental-Provisions.pdf</a>
<input type="checkbox"/> EXHIBIT 12	Notice of Public Hearing or Public Meeting ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 13	Authorizing Resolution for local governments ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 14	Statement of assurances and certifications for local governments ( <b>HOME/CDBG-DR</b> )
<input type="checkbox"/> EXHIBIT 15	Residential anti-displacement and relocation assistance plan ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 16	Applicant certification for non-profits and housing authorities ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 17	Authorizing Resolution for non-profits and housing authorities ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 18	Certification of rental project federal assistance ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 19	System for Award Management (SAM) ( <b>HOME/CDBG-DR/HTF Funds</b> )
<input type="checkbox"/> EXHIBIT 20	HOME/HTF Cost Allocation Tool ( <b>HOME/HTF Funds</b> ) refer to: <a href="#">HOME/HTF-Cost-Allocation-Tool</a>
<input type="checkbox"/> EXHIBIT 100	Architect Certification, Required Design and Required Green Standards, and Architectural Plans
<input type="checkbox"/> EXHIBIT 101	Fair Housing Act and Section 504 – Design
<input type="checkbox"/> EXHIBIT 102	Affirmative Marketing Plan
<input type="checkbox"/> EXHIBIT 103	Site Control
<input type="checkbox"/> EXHIBIT 104	Intentionally omitted
<input type="checkbox"/> EXHIBIT 105	Zoning
<input type="checkbox"/> EXHIBIT 106	Utilities
<input type="checkbox"/> EXHIBIT 107	Subsidies/Public Funds

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## SCORING SHEET

Exhibit 15	Residential Site Engagement & Outreach (DED)			
Exhibit 16	Certification for non-profit and housing authorities (DED)			
Exhibit 17	Resolution for non-profit and housing authorities (DED)			
Exhibit 18	Certification of rental project federal assistance (DED)			
Exhibit 19	SAM documentation (DED)			
Exhibit 20	HOME/HTF Cost Allocation (DED)			
Exhibit 100	Architect Certification, Required Design & Green Standards, and Architectural Plans			
Exhibit 101	Permitting Act & Section 504			
Exhibit 102	Administrative Marketing Plan			
Exhibit 103	Site Control <small>NE Note: - Obtain the title required prior to permitting - Obtain performance agreement - Signed Land Use/CC forms in project copies with the plan - Provide property data</small>			
Exhibit 105	Zoning <small>- Meet all zoning requirements - Not subject to review - Nonconforming uses to determine in 100 days</small>			
Exhibit 106	Utilities			
Exhibit 107	Subsidies/Public Funds <small>- Do not exceed the new 2025 HOME Fund under LDC - Funds considered available to all sections - All subsidies have been allocated - All subsidies have been disclosed</small>			

  

<b>High-density or other high-density areas</b>		1	0
SUBTOTAL		Max points = 65 (Metro) 67 (Non-metro)	0
<b>NIFA Scored Criteria</b>			
Targeting Gross Rents		Up to 5	
Efficient Housing Production		Up to 6	
Efficient Use of HOME Funds		Evaluated by DED	
Natural Disaster Designation		up to 3	
SUBTOTAL		Max points = 14	0
<b>TOTAL</b>		Max points = 79 (Metro) 81 (Non-metro)	0

  

<b>Green Standards (max = 6 points) - Exhibit 209</b>			
- Development includes geothermal closed loop heat pump or active solar		3	
- Installation of smart internet connected thermostat for every HVAC system (can only be selected in conjunction with the amenity owner paid broadband or high-speed internet to every unit		2	
- All mechanical equipment will be Energy Star® rated		2	
- All exterior windows and doors will have an average R-value of 3.75 (2017 U-Factors)		1	
- All exterior lighting will be photocell or timer controlled		1	
- All carpet will include recycled-content carpet pad & carpet		1	
- All interior paints & finishes - less than 250 grams/liter of VOCs		1	
- Water conservation techniques utilized		1	
- Builder will follow written waste reduction, recycle & reuse plan		1	
- Utilize passive solar building design (include description)		1	
- Meet or exceed the requirement of the CDBG-DR Green Standards		6	
<b>Amenities (max = 8 points) - Exhibit 209</b>			

  

<b>Project Information</b>	
OCT (Yes or No):	
Type of LHTC Requested:	
Minimum Set Aside:	
Non-Profit Set-Aside (Yes or No):	

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## REFLECTIONS & REVELATIONS



Coordination with NIFA – expand on monitoring and compliance



Additional partnerships

City of Omaha: Environmental Review,  
DBRA/Section 3  
Other HUD funds (CNI, RAD, 221d4):  
Environmental Review, Subsidy Review



Coordination with syndicators on underwriting review

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## QUESTIONS?



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