

## **2011 NCSHA Annual Awards for Program Excellence**

Category: Rental Housing: Encouraging New Production

HFA: Nebraska Investment Finance Authority (NIFA)

Program: Housing Study Grant Program

### **NIFA's Housing Study Grant Program: What Makes a Great Project Successful: A Clear Vision!**

#### **Introduction**

Successful projects start as an appropriate reaction to a real need for affordable rental units. Great projects begin with a vision that improves the quality of life for the entire community. The challenge is knowing what the real need is, and blending it into the vision. NIFA's Housing Study Grant Program provides funding, leveraged by a local community match, to develop the **vision** that meets the **need**.

Nebraska is a state with stark contrasts in housing needs. With a rapidly growing population base concentrated in a few urban communities, and a struggling rural population, it can be quite difficult to gauge the type and quantity of housing needed in a particular community. NIFA recognized the necessity to accurately measure the current state and future demand for a community's housing before investing state dollars and federal tax credits for rental housing. The Housing Study Grant Program was developed to catalog housing conditions and identify needs in order to guide local leaders. The goal is to achieve the right balance of housing type and quantity while maximizing the efficient distribution of resources.

#### **The Need**

In Nebraska, much of the past half-century saw changes in the economy drain both the inner-city neighborhoods and small towns of investment dollars. More recently, jobs and lifestyle choices are drawing people back to Nebraska communities. In some cases we have growth in areas that have seen little housing development since World War II. Years of disregard test these communities as they strive to address their housing needs.

In early 2005, NIFA was approached by local community development groups and representatives of rural communities, both looking for ways to attract much needed affordable rental housing to their areas. The types of rental housing each was looking to develop were quite different (historic rehab and/or multifamily vs. detached single family and/or elderly), But, in each case, the first step was the same. They needed, but could not afford, a comprehensive housing study to define the current conditions, guide local leaders and provide the necessary documentation to leverage funds from resource providers.

#### **The Program**

Each year NIFA budgets \$150,000 for the Housing Study Grant Program. The maximum grant award is \$60,000 per application with no minimum request. The applicant is required to provide written evidence of the minimum 50% cash match required for the total cost of the study, and the studies are expected to be completed within an 18-month period following notice of the award.

The Housing Study Grant Program provides a resource to stimulate ideas for comprehensive development plans encompassing housing, community and economic development opportunities. Eligible applicants include any housing or economic development entity, profit or non-profit, without direct access to property tax revenue streams.

The supporting document: *Conditions and Requirements Sheet* lists the criteria that must be met to receive a grant.

As part of the application process, NIFA requires independent letters of support from the governing jurisdiction and community organizations, the applicant's most recent annual financial report, a detailed description of the applicant's experience in community or housing development, and a resume of any third party service providers participating in the study. The supporting documentation is used to ensure that the study will be carried out effectively, supported locally, and incorporated into overall community plans.

The supporting document: *Evaluation Criteria Score Sheet* lists the requirements upon which the applications are scored.

### **Success!**

This program is **great** because it gives small towns and neighborhoods an executable **vision** prepared by a sophisticated market analyst!

Since the inception of the Housing Study Grant Program in 2005, NIFA has funded **38 individual studies** awarding **\$505,215** and leveraging matching funds of **\$599,205** for a total of more than **\$1.1 million** invested for new housing studies. The largest award was \$60,000, while the smallest was \$3,000, with an average award amount of \$13,295, and a median of \$9,000. While there have been several large-scale urban redevelopment studies supported by large philanthropic organizations, NIFA has observed an even greater number of non-profits from rural communities utilizing the Housing Study Grant Program to gather information for small-town housing and community development.

As of 2011, 17 Low Income Housing Tax Credit (LIHTC) developments have been located in communities that have utilized the Housing Study Grant Program. Seven of the LIHTC developments are located in communities with populations between 10,000 and 30,000. The remaining ten developments are located in towns with populations ranging from 1,990 to 8,002. The overall impact of the housing studies in these Nebraska towns has been substantial. These projects have created **302 affordable rental units** in **11 rural communities** across Nebraska. They have utilized **\$4,499,736** in annual tax credits with total development costs just under **\$49,000,000**.

The supporting document: *LIHTC Projects Post Housing Study* spreadsheet provides details of the 17 developments.

NIFA's Housing Study Grant Program has created a relationship that also leverages NIFA program dollars with commitments from local governing bodies and community organizations. It creates a base from which community and affordable rental housing development can flourish. The development flourishes because the first step has been a NIFA-funded study which clarifies the real needs of the community.

## **Housing Study Grant Program**

### **Conditions & Requirements**

To receive funding, the study must be for a specific geographic area, and may include a neighborhood, region or county. Eligible criteria may be for a new study or the continuation of a previously-funded study. The study must meet the following criteria:

- 1) The housing needs of the selected area must be evaluated and future potential projects must be identified. A portion of the final study recommendations should include developments eligible for NIFA financing.
- 2) Include public planning process that encourages citizens to actively participate in shaping the future of their community.
- 3) Evidence of coordination with and participation of the local municipality and other stakeholders in the community must be evident.
- 4) The study must include recommendations for, at a minimum, one of the following: future land use planning, community facilities, transportation needs, and or employment opportunities.
- 5) The study should also include a workable timeline for the implementation of the proposed recommendations.

Each application is reviewed and evaluated using the following general criteria:

- Project location must be within the boundaries of an incorporated town or village and be consistent with and contained within an area's planning and zoning regulations.
- Demographics, housing stock quality, project size, and community design characteristics must be elements considered in the study.
- Project analyzed in the study must have support, and preferably partial funding, from the local governing jurisdiction.
- The application must include a detailed timeline for completion of the study.
- The application must include a detailed budget for the study. All professional service required to conduct of the study must be identified (or a description of the selection process included).

Supporting documentation is used to ensure that the study will be carried out effectively, supported locally, and incorporated into overall community plans.

**Housing Study Grant Program**  
Evaluation Criteria Score Sheet

1. Matching Cash Requirement
  - More than 50% cash match - 20 points
  - At least 50% cash match - 10 points
  - Less than 50% cash match - 0 points
2. Evidence of Public Planning Process
  - Detailed description of a community-based public planning process - 20 points
  - Incomplete or inadequate public planning process - 0 points
3. Evidence of Need
  - Proposed study meets identified needs not met by other entities in the community - 20 points
  - No apparent evidence of need - 0 points
4. Community Coordination
  - Evidence of coordination with other programs, organizations, and governmental agencies - 20 points
  - No evidence of community coordination - 0 points
5. Letters of Support
  - At least 3 letters of support, including one from a local governing jurisdiction - 10 points
  - At least 3 letters of support, but none from a local governing jurisdiction - 5 points
  - Less than three letters of support - 0 points
6. Track Record
  - Applicant has proven of track record in community or housing development - 10 points
  - Applicant does not have track record in community or housing development - 0 points

Note: NIFA reserves the right to award incremental points for any of the above criteria at its sole and absolute discretion.

Total Possible Points = 100

**Fiscal Year 2011 Housing Study Grant Funding  
Evaluation Criteria  
Round 1 - May 6, 2011**

<u>APPLICANT NAME</u>	<u>APPLICANT #</u>	<u>CITY</u>	<u>COUNTY</u>	<u>AMOUNT OF REQUEST</u>
		Round 1	Round 2	Round 3
<b>1. Matching Cash Requirement</b>	Points			
50% - 75% cash match	20			
At least 50% cash match	10			
Less than 50% cash match	0			
<b>2. Evidence of Public Planning Process</b>				
Written description of public planning process	20			
No evidence of public planning process	0			
<b>3. Evidence of Need</b>				
Proposed project meets identified needs not met by other entities in the community	20			
Proposed project duplicates existing program	0			
<b>4. Community Coordination</b>				
Evidence of coordination with other programs, organizations, and governmental agencies	20			
No evidence of community coordination	0			
<b>5. Letters of Support</b>				
At least 3 letters of support, including one from local governing jurisdiction	10			
At least 3 letters of support, but none from the local governing jurisdiction	5			
Less than 3 letters of support	0			
<b>6. Track Record</b>				
Applicant has evidence of track record in community or housing development	10			
Applicant does not have track record in community or housing development	0			
<b>Total (Maximum points = 100)</b>				
<b>7. Other Criteria - Required</b>	Yes or No			
Budget provided				
Timeline provided				
3rd Party/Professional Service Provider(s) identified				
Total Score				

Note: NIFA reserves the right to award incremental points for projects meeting partial evaluation criteria.

**Supporting Evidence - 2011 NCSHA Annual Awards**

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**LIHTC projects constructed in communities post Housing Study Grant Awards**

LIHTC Project Name	City	County	Bldgs	Units	Type	Development Cost	LIHTC Amount	Development Year	Housing Grant Study	Population
Village Gardens	Hastings	Adams	11	40	Elderly	\$7,259,496.00	\$720,152.00	2009	2005	25,370
Dixie Gardens	North Platte	Lincoln	8	16	Elderly	\$2,591,615.00	\$200,600.00	2009	2005	24,137
Sunrise East	Holdrege	Phelps	8	16	Elderly	\$2,138,760.00	\$188,064.00	2008	2005	5,121
Sunrise Lane	Holdrege	Phelps	10	18	Elderly	\$2,738,044.00	\$194,084.00	2010	2005	5,121
Legend Oaks	Lexington	Dawson	10	20	Elderly	\$2,921,694.00	\$324,331.00	2008	2006	10,275
Jefferson Square	Gothenburg	Dawson	5	12	Elderly	\$1,843,290.00	\$167,087.00	2009	2006	3,703
East Ward Village	McCook	Red Willow	7	27	Elderly	\$3,858,036.00	\$410,004.00	2010	2006	7,410
Rolling Hills Townhomes	Ord	Valley	6	12	Elderly	\$1,795,908.00	\$111,989.00	2010	2006	1,990
The Villages at Dawson	Cozad/Gothenburg/ Lexington	Dawson	15	15	Single Family	\$3,087,798.00	\$250,373.00	2008	2006	4,296
Lexington Estates	Lexington	Dawson	12	12	Single Family	\$2,305,898.00	\$157,309.00	2010	2006	10,275
Rosewood Estates	Alliance	Box Butte	9	18	Elderly	\$2,678,659.00	\$223,326.00	2008	2007	8,002
Rosewood Estates II	Alliance	Box Butte	9	18	Elderly	\$3,145,839.00	\$210,755.00	2010	2007	8,002
Stoneridge Apartments, Phase 2	Kearney	Buffalo	2	24	Multifamily	\$3,526,426.00	\$414,458.00	2008	2007	30,744
Kearney Plaza Villas	Kearney	Buffalo	24	24	Single Family	\$3,806,803.00	\$401,578.00	2008	2007	30,744
The Cottages	St. Paul	Howard	6	12	Elderly	\$1,862,695.00	\$194,360.00	2011	2009	2,133
Wilderness Falls	Falls City	Richardson	8	16	Elderly	\$2,997,141.00	\$303,761.00	2011	2009	3,933
North Park	North Platte	Lincoln	2	2	Single Family	\$386,455.00	\$27,505.00	2010	2009	24,137
<b>Totals</b>			<b>152</b>	<b>302</b>		<b>\$48,944,557.00</b>	<b>\$4,499,736.00</b>			