

Chapter 3: Selection Process and Criteria

Applicants meeting threshold requirements are reviewed by NDED on a competitive basis according to the selection criteria in the matrix below. Applicants ranking highest in competitive order shall be selected for funding, subject to the amount available.

Characteristic	Criteria	Points
Demonstrates Desired Results	Meets Zone priorities	0-15-37-50
Demonstrates Desired Results	Reasonableness	0-15-37-50
Demonstrates Desired Results	Community and Economic Development Planning Efforts	0-15-37-50
Demonstrates Desired Results	Possible Points	150
Probability	Level of Readiness	0-15-37-50
Probability	Demonstrated Capacity	0-15-37-50
Probability	Cost-effectiveness and Appropriateness	0-15-37-50
Probability	Possible Points	150
	Total Possible Points	300

Applications recommended for approval through this process will be presented to NDED's Director. The Director determines grant awards, provided all established criteria are met.

NDED may contact and negotiate with the applicant as to the terms and conditions of NAHP financial assistance. Negotiations may include: necessity or appropriateness of NAHP assistance based upon gap financing; cost-effectiveness of NAHP funds per housing unit; reasonableness of costs; the minimizing of NAHP funds necessary to stimulate the private investment; loan repayment terms of NAHP funds; and verification of the terms and conditions of non-NAHP financial commitments.

Review criteria will include priority for projects that demonstrate the following characteristics:

Demonstrates Desired Results:

(a) Meets Zone priorities

- **No/Unclear** – 0 points - The project or program will **not contribute** to meeting zone priorities. OR It is **not clear** if the project or program will contribute to meeting zone priorities
- **Low** – 15 points - The project or program will contribute to meeting **the fourth highest or additional** zone priorities.
- **Medium** – 37 points - The project or program will contribute to meeting the **second or third highest** zone priority.
- **High** – 50 points - The project or program will contribute to meeting **the highest** zone priority.

If a project meets more than one Zone Priority, only the highest score on the scale will be counted.

Northeast Zone Priorities

Highest Priority – 50 points

1) Employer-assisted homebuyer assistance programs. Employer-assistance programs for the purposes of this priority require a financial contribution of an employer or a group of employers. These programs must include homebuyer education and be closely coordinated with other homebuyer assistance programs, such as those available through USDA – Rural Development housing programs and Nebraska Investment Finance Authority (NIFA) programs.

Second and Third highest Priorities – 37 points

2) The project is located in Congressional District 2. This project location will contribute to meeting the NAHTF statutory requirement to provide 25% of the Nebraska Affordable Housing Trust Fund allocation to each Congressional District

3) New construction of housing for homeowners in communities with a strong homebuyer market.

Fourth highest and Additional Priorities – 15 points

4) Owner-occupied rehabilitation programs in communities with an approved Target Area. The total number of homes to be assisted must be 5% or greater than the total number of homes in the Target Area.

5) Homebuyer assistance programs including, Down-payment /closing cost assistance programs and Purchase/Rehabilitate/Resell programs.

*6) Technical assistance (operating) for housing non-profits to:
plan for and/or implement affordable housing projects that are financed or anticipated to be financed with resources other than NAHP funds;*

Or

plan for the development of a project that the organization has not been involved in a similar project in the past.

Southeast Zone Priorities

Highest Priority – 50 points

1) Homebuyer assistance programs designed to assist in retaining or recruiting a regional workforce. These programs must include homebuyer education and be closely coordinated with other homebuyer assistance programs, such as those available through USDA – Rural Development housing programs and Nebraska Investment Finance Authority (NIFA) programs.

Second and Third highest Priorities – 37 points

2) Owner-occupied rehabilitation programs in communities with an approved Target Area. The total number of homes to be assisted must be 5% or greater than the total number of homes in the Target Area.

3) The project is located in Congressional District 2. This project location will contribute to meeting the NAHTF statutory requirement to provide 25% of the Nebraska Affordable Housing Trust Fund allocation to each Congressional District

Fourth highest and Additional Priorities – 15 points

4) Purchase/rehabilitate/resell programs in areas not currently served with purchase/rehabilitate/resell or down payment assistance/rehabilitation programs.

5) Owner-occupied rehabilitation programs focused on major rehabilitation of substandard properties (rehabilitation hard costs over \$15,000 per home and up to \$40,000 per home).

6) A regional owner-occupied rehabilitation program that serves the City of Lincoln. The program does not have to have funds available to the entire community in any given year, but should be an ongoing regional plan that is for the entire community to provide owner-occupied rehabilitation assistance.

Central Zone Priorities

Highest Priority – 50 points

1) Employer-assisted homebuyer assistance programs. Employer-assistance programs for the purposes of this priority require a financial contribution of an employer or a group of employers. These programs must include homebuyer education and be closely coordinated with other homebuyer assistance programs, such as those available through USDA – Rural Development housing programs and Nebraska Investment Finance Authority (NIFA) programs.

Second and Third highest Priorities – 37 points

2) New construction of housing for homeowners in communities with a strong homebuyer market.

3) Owner-occupied rehabilitation programs in communities with an approved Target Area. The total number of homes to be assisted must be 5% or greater than the total number of homes in the Target Area.

Fourth highest and Additional Priorities – 15 points

4) Homebuyer assistance programs designed to assist in retaining or recruiting a regional workforce. These programs must include homebuyer education and be closely coordinated with other homebuyer assistance programs, such as those available through USDA – Rural Development housing programs and Nebraska Investment Finance Authority (NIFA) programs. Homebuyer programs may include, but are not limited to, employer-supported housing strategies.

5) Technical assistance (operating) for housing non-profits to:
plan for and/or implement affordable housing projects that are financed or anticipated to be financed with resources other than NAHP funds;

Or

plan for the development of a project that the organization has not been involved in a similar project in the past.

Western Zone Priorities

Highest Priority – 50 points

1) Homebuyer assistance programs designed to assist in retaining or recruiting a regional workforce. These programs must include homebuyer education and be closely coordinated with other homebuyer assistance programs, such as those available through USDA – Rural Development housing programs and Nebraska Investment Finance Authority (NIFA) programs. Homebuyer programs may include, but are not limited to, employer-assisted or employer-supported housing strategies.

Second and Third highest Priorities – 37 points

2) New construction of housing for homeowners in communities with a strong homebuyer market.

3) Owner-occupied rehabilitation programs in communities with an approved Target Area. The total number of homes to be assisted must be 5% or greater than the total number of homes in the Target Area.

Fourth highest and Additional Priorities – 15 points

4) Technical assistance (operating) for housing non-profits to:
plan for and/or implement affordable housing projects that are financed or anticipated to be financed with resources other than NAHP funds;

Or

plan for the development of a project that the organization has not been involved in a similar project in the past.

5) Homebuyer assistance programs including, down-payment /closing cost assistance programs and Purchase/Rehabilitate/Resell programs.

(b) Reasonableness: the project will meet a demonstrated need of the community and the market
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- **No/Unclear** – 0 points – The proposal does not include evidence or is does not clearly demonstrate evidence of any of the 6 Reasonableness criteria listed below.
- **Low** – 15 points - The proposal includes clear evidence that it meets 1 or 2 of the 6 Reasonableness criteria listed below.
- **Medium** – 37 points - The proposal includes clear evidence that it meets 3 or 4 of the 6 Reasonableness criteria listed below.
- **High** – 50 points The proposal includes clear evidence that it meets at least 5 of the 6 Reasonableness criteria listed below.

These descriptions are in no particular order.

- 1) The description of the market and customer demonstrate a need for the product and services.
- 2) A typical customer will want the type of housing being offered.
- 3) The project will have a positive visual impact on community development.
- 4) Housing and building codes are enforced in the project service area to the degree that is reasonable considering the size of the community.
- 5) There is evidence of a high-degree of lender involvement in the project beyond conventional loans.

The project need is clear from a site-specific market study for development projects or a housing needs assessment process that includes low-to-moderate income households for other programs.

(c) Community and Economic Development Planning Efforts: the project is part an overall community or regional economic development/community development effort.

- **No/Unclear** – 0 points - The proposal does not include evidence or is does not clearly demonstrate evidence of any of the 5 Community and Economic Development Planning Efforts criteria listed below.
- **Low – 15 points** - The proposal includes clear evidence that it meets 1 or 2 of the 5 Community and Economic Development Planning Efforts criteria listed below.
- **Medium** – 37 points - The proposal includes clear evidence that it meets 3 or 4 of the 5 Community and Economic Development Planning Efforts criteria listed below.
- **High** – 50 points -The proposal includes clear evidence that it meets all 5 of the 5 Community and Economic Development Planning Efforts criteria listed below.

These descriptions are in no particular order.

- 1) The community determined the type of housing proposed is a priority.
- 2) The project is located in a community or region that is working on other housing strategies, regulations, programs and projects that would increase the probability of maximizing the DED investment such as: rehabilitation strategies and/or removed dilapidated housing; citizen participation processes, studies, or strategic planning in the past three years; volunteer efforts; capacity building or regional leadership.
- 3) Low-income households provided input on housing needs.
- 4) There is evidence of aggressive strategies in the community or region to demolish dilapidated buildings and rehabilitate substandard properties to the degree that is reasonable considering the size of the community.
- 5) The project or program will be developed in collaboration with local and regional plans being implemented by other agencies such as Community Action Agencies, Development Districts. For projects and programs located within the City of Lincoln or City of Omaha, the project or program will be developed in collaboration with the local government division responsible for planning and affordable housing.

Probability of Producing Desired Results:

(a) Level of Readiness to Proceed

- **No/Unclear** – 0 points – The proposal does not include evidence or is does not clearly demonstrate evidence of any of the 6 Level of Readiness to Proceed criteria listed below.
- **Low** – 15 points – The proposal includes clear evidence that it meets 1 or 2 of the 6 Readiness to Proceed criteria listed below.
- **Medium** – 37 points – The proposal includes clear evidence that it meets 3 or 4 of the 6 Readiness to Proceed criteria listed below.
- **High** – 50 points – The proposal includes clear evidence that it meets at least 5 of the 6 Readiness to Proceed criteria listed below.

These descriptions are in no particular order.

- 1) The resources and commitments needed to proceed with the project are in place.
- 2) The Environmental Review process has begun.
- 3) Community, low-income, and adjacent neighbor input has been considered in the project developed.
- 4) Program guidelines and other application information show that project requirements will be met and understood by key individuals.
- 5) Appropriate zoning, availability of utilities, and infrastructure development is in place.
- 6) All key individuals such as project administrators and other professional staff have been identified.

(b) Demonstrated Capacity

No/Unclear – 0 points - The proposal does not include evidence or is does not clearly demonstrate evidence of any of the 5 Demonstrated Capacity criteria listed below.

- **Low** – 15 points - The proposal includes clear evidence that it meets 1 or 2 of the 5 Demonstrated Capacity criteria listed below.
- **Medium** – 37 points - The proposal includes clear evidence that it meets 3 or 4 of the 5 Demonstrated Capacity criteria listed below.
- **High** – 50 points - The proposal includes clear evidence that it meets 5 of the 5 Demonstrated Capacity criteria listed below.

These descriptions are in no particular order.

- 1) The project schedule (Target Plan) reflects a realistic timeline for implementation and producing results.
- 2) The organization and key individuals have the capacity and commitment to implement the project in a timely manner.
- 3) The key individuals have been successful in similar projects in the past.
- 4) The applicant has been ready, willing and able to work in partnership and cooperation with the department during the application development and review process.
- 5) Key individuals are identified in the Workplan and someone has been identified has having the most responsibility for the project.

(c) Cost-effectiveness and appropriateness: appropriate, size, scope, rent schedule and income levels being served;

- **No/Unclear** – 0 points - The proposal does not include evidence or is does not clearly demonstrate evidence of any of the 5 Cost-effectiveness and appropriateness criteria listed below.
- **Low** – 15 points - The proposal includes clear evidence that it meets 1 or 2 of the 5 Cost-effectiveness and appropriateness criteria listed below.
- **Medium** – 37 points - The proposal includes clear evidence that it meets 3 or 4 of the 5 Cost-effectiveness and appropriateness criteria listed below.
- **High** – 50 points - The proposal includes clear evidence that it meets 5 of the 5 Cost-effectiveness and appropriateness criteria listed below.

These descriptions are in no particular order.

- 1) The project is the appropriate size and scope for the amount of funds requested.
- 2) The project is the appropriate size and scope for the demonstrated need and income levels being served.
- 3) The amount of administration and project soft costs is appropriate to achieve the proposed results.
- 4) The project is a cost-effective approach overall to serve the proposed customers. This includes leveraging and partnering with additional funding sources.
- 5) The project includes an approach that will maximize the availability of physically visitable and accessible housing in Nebraska.