

20122013

COLLABORATIVE RESOURCES ALLOCATION FOR NEBRASKA (CRANE) PROGRAM GUIDELINES & APPLICATION

The focus and primary purpose of CRANE is to encourage long-term, interrelated and coordinated job creation/enhancement, joint housing and community development strategies and implementation of plans by Nebraska communities. Together, NIFA and other collaborating resource providers will work with communities and neighborhoods, who have joined with for profits and non-profits, that commit to participate in the CRANE Program, as well as other public and private resource providers.

The partnership between resource providers and applicants will be formed for the strategic placement of comprehensive housing, job and community development resources into Nebraska communities and neighborhoods that are ready and prepared to move on a pre-developed strategy.

A. COMPONENTS OF CRANE

1. Acceptance into CRANE Program can occur only after an applicant has consulted with NIFA staff to determine project eligibility and received written confirmation of acceptance into the Program.
2. For LIHTC requests, a CRANE application fee of \$500 is required at the time of the CRANE application submittal. The \$500 will be applied to the LIHTC application fee at the time of the submittal of the full LIHTC application.
3. To participate in the CRANE Program, for-profit or non-profit entities ("Eligible Applicant") must join together with cities, communities and neighborhoods and collectively demonstrate that through a public process they have assessed the needs of their particular community with respect to economic development, community resource and housing development, and have proposed specific solutions to address those needs (the "Plan").

Eligible Applicants must delegate a "Lead" organization that will actively and regularly participate in a strategic planning and implementation program. The Plan may cover incorporated municipalities, neighborhoods or villages although elements of the Plan may include areas located in adjacent, unincorporated but municipally regulated areas. Urban and Rural communities are eligible under the CRANE Program.

4. Jointly, NIFA and other participating resource providers will set threshold and ranking criteria for the CRANE Program applications. All CRANE Program applicants will be reviewed and approved by NIFA's Board and also receive the appropriate approval from the participating resource providers on a project by project basis.
5. CRANE Program applications will be "soft" meaning that property control, zoning and financing need not be finalized at the time of submission of the application; however, the applicant must provide a strategy and timeline within the Plan for completing the required assignments and tasks.
6. A CRANE Program application must have its Plan or concept previously approved by the local governing body and an implementation strategy, with quantifiable goals and proposed timetable for the accomplishment of the Plan. Also, the Plan must have elements that

include targets for collaborative housing development, job creation and community development.

7. The proposed Project must also show community based financial support. At least 10% in materials, services and/or cash is required for each phase of an application's progress. Examples of community based financial support may include, but is not limited to: Affordable Housing Trust Funds, HOME Funds, CDBG Funds, FHLBank Funds, Tax Increment Financing (TIF), and the donation of land, professional fees, construction equipment or materials, and \ or cash funds. Other additional funds or services from for-profit or nonprofit entities are eligible matches if approved by NIFA.
8. Once a CRANE Program application has been accepted a timeline will be developed to assign a category and to identify resources by NIFA and other participating resource providers. Applications will be categorized as follows:
 - Category 4: Conceptual
 - Category 3: Feasible
 - Category 2: In formation
 - Category 1: Ready, in all aspects, to proceed (Under contract)

The following table provides a basic outline of the Category designations, their definitions, and Action Steps that must be completed by an LIHTC applicant prior to receiving the associated Category designation. NIFA reserves the right to adjust the Action Steps required of the Applicant based on each individual project.

Category Designation:	<i>Category 4</i>	<i>Category 3</i>	<i>Category 2</i>	<i>Category 1</i>
Definition:	Conceptual	Feasible	In Formation	Ready, in all aspects, to proceed
Action Steps to be Completed prior to Designation:	<ul style="list-style-type: none"> ▪ Consult with NIFA about proposed Project ▪ CRANE application submitted and accepted by NIFA 	<ul style="list-style-type: none"> ▪ Proforma and budget developed ▪ Full LIHTC application prepared at the request of NIFA 	<ul style="list-style-type: none"> ▪ Full LIHTC application submitted to NIFA ▪ Threshold items in LIHTC application met ▪ Final documents/ clarification provided to NIFA as requested 	<ul style="list-style-type: none"> ▪ Able to receive a Conditional Reservation of LIHTC

9. Each project will be individually evaluated by a team comprised of NIFA senior staff. The team's findings and recommendations will be set forth in writing and made part of the public record. Objectives and statements of public value for each project will be incorporated into the written public record. Such statements must be regularly updated in order for a project to retain its priority status. These findings and recommendations will be discussed at the CRANE meetings that will be held monthly and open to the public.

10. A specific timeline and expected outcome for each project will be defined as part of the evaluation process. Failure to adhere to the timeline or satisfy the criteria set forth may result in a project's re-classification.
11. Measurable progress must be made according to the timeline that has been established for a priority category status to be retained or upgraded. An applicant may move into "standby" mode at anytime to allow for the resolution of unanticipated problems with prior written approval from NIFA. ~~NIFA may also move an applicant to "standby" mode if no measurable progress has been made.~~
- ~~14-12.~~ If NIFA does not receive a response \ report from a CRANE applicant for 6 months, the application will be placed in "standby" mode and NIFA will notify the applicant in writing of the "standby" status. If no communication is received from the CRANE applicant within 3 months after NIFA places the application in "standby" mode, then the application will be removed from the CRANE process.
- 12-13. Full accounting and public disclosure of all inputs and results of the Plan and proposed projects will be required. The data will be used for analysis and program improvement.
- 13-14. NIFA and other participating resource providers will be the sole judges of rule and regulation interpretation and the appropriateness of the proposed plans and project segments. NIFA will be the lead agency for the CRANE Program and will provide staffing and administrative services. NIFA may require that a "Continuity Manager" be engaged for long-term or large projects.
- 14-15. With respect to the CRANE Program, for the year ~~2012~~2013, NIFA has committed to set aside up to 33% of Nebraska's ~~2012~~2013 Low Income Housing Tax Credit ("LIHTC") authority for applicants that meet the requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder and up to \$37,500,000 in tax-exempt bonds for applicants that meet the requirements of Section 142 of the Code and the regulations promulgated thereunder.
- ~~15-16.~~ At NIFA's discretion, CRANE Program resources reserved but not "allocated" at the end of a specified time period may be "recycled" into the competitive program or for other CRANE Program applications or exchanged for a priority claim against a following years resources if available.
- ~~16-17.~~ In order to be eligible for consideration of a conditional reservation of LIHTC, NIFA staff and the applicant must work together to address issues, concerns, and/or additional requirements. Acceptance into the CRANE Program does not guarantee a reservation of NIFA resources. The project must meet all QAP threshold items specific to the funding requested, as well as those additional requirements of the CRANE Program (which additional requirements will be determined by NIFA in its sole discretion based on an individualized in-depth analysis of each project). Once assigned a Category 1 designation (as set forth below), a project in the CRANE process is eligible to be considered by NIFA for an allocation of resources.
- 17-18. A written statement of the criteria, participants, and methodology of evaluation shall be made part of the public record. All allocations of resources will conform to the rules and regulations of the specific resource programs.

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~~18.19.~~ The CRANE Program can be discontinued at any time at the discretion of NIFA and other participating resource providers. NIFA and other participating resource providers reserve the right to change the CRANE Program objectives, rules and components at their discretion. The resource amount and duration of the set asides will be at the discretion of NIFA and the other participating resource providers.

B. ELIGIBLE PROJECTS

Projects requesting consideration under the CRANE program must provide substantial benefit in one or more of the following areas:

- (a) Housing for individuals with special needs (such as physical or mental disabilities, substance abuse issues, homeless, or those experiencing severe economic distress), including housing for distressed populations with incomes below 30% of the applicable Area Median Income (AMI)
 - Housing for adults with serious mental illness or physical disabilities shall have a priority within each category described in Section A-8
 - Senior housing is considered special needs housing ONLY if the project serves households with incomes below 30% of the applicable AMI.
 - At least 25% of the units must serve individuals with special needs.

- (b) Preservation of an existing affordable housing project that includes an ongoing project-based rental subsidy established under USDA, HUD, or other federal or state program;

OR

A rehabilitation or new construction project that creates a significant, ongoing project-based rental subsidy that is funded by Owner contributions or by a federal or state program.

The structural soundness and financial viability of such projects will be evaluated by NIFA and participating funding partners when determining eligibility under the CRANE Program.

- (c) Native American Housing;
- (d) Housing developments in response to judicial findings (or settlement agreements or consent decrees) relating to housing deficiencies, housing discrimination or other housing issues;
- (e) Housing developments that include a minimum of 10% market rate units that are also part of a neighborhood redevelopment plan (which plan has been approved by appropriate city or county authorities) for which there is a significant and material public investment: or

- (f) A housing development in a community with a current state or presidential disaster declaration that resulted in the loss of housing as determined by NIFA.

C. LIHTC BASIS BOOST

As authorized by the Housing and Economic Recovery Act of 2008 (H.R. 3221), NIFA may increase or “boost” the eligible basis by up to 30% (“Basis Boost”) for designated buildings that are located outside of an established Qualified Census Tract (QCT) or Difficult Development Area (DDA). NIFA will review the financial feasibility of the development and measure the direct benefit of the Basis Boost to the tenants of the development when evaluating requests. The following Development types in the CRANE process may request the Basis Boost if the Basis Boost is needed to make the development financially feasible:

- a. Developments located in non-metro areas (outside of an MSA); or
- b. Developments with an average combined gross rent amount that would be affordable to households with an income less than 45% of the county’s Area Median Income (AMI).
- c. If a development does not meet the above criteria and can demonstrate extenuating circumstances, the applicant may request up to a 30% basis boost by providing a written narrative detailing why the boost is necessary to make the development financially feasible. NIFA will evaluate each request on a case-by-case basis.

20122013 CRANE APPLICATION

INSTRUCTIONS AND CERTIFICATION

The undersigned applicant hereby makes application to participate in the CRANE Program. Applications must be submitted to NIFA no later than 5:00 p.m. on the first business day of each calendar month. The original application package must have an original signature. **Please submit an original application and three (3) copies. The application must be two-hole punched at the top and may be clipped or banded for delivery purposes. All Exhibits should be tabbed.** The \$500 CRANE application fee must be included with the submittal. If the application is submitted via facsimile or email, an original must follow. The application must be filled out completely, with all questions and spaces completed. If a question does not pertain to your project, insert "N/A" in the answer space.

The undersigned hereby certifies that the information set forth in this application and in any exhibits in support thereof, is true, correct and complete. The undersigned understands that any misrepresentation may result in the cancellation of any resources allocated or reserved under the CRANE Program. The undersigned also agrees that NIFA and/or the participating resource providers may request additional information to evaluate this application:

Applicant Signature

Date

D. LEAD ORGANIZATION/CONTACT INFORMATION

Development Name: _____
Development Owner: _____
Lead Organization/Applicant: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone Number: (_____) _____
Facsimile Number: (_____) _____
Email: _____

Person to contact during the application process:

Name: _____
Company: _____
Address: _____ City: _____ State: _____ Zip: _____
Telephone Number: (_____) _____
Facsimile Number: (_____) _____
Email: _____

E. RESOURCES (check all applicable boxes)

- Funds from participating resource providers other than NIFA*,
(i.e. NDED, FLHB, conventional lenders or deferred developer fees)

Source: _____ Amount: _____
Source: _____ Amount: _____
Source: _____ Amount: _____
Source: _____ Amount: _____

Total*: _____

***TOTAL MUST EQUAL AT LEAST 10% of DEVELOPMENT BUDGET.**

- Allocation of Low-Income Housing Tax Credits ("LIHTC")* - \$ _____
*The maximum LIHTC allocation to any single development will be no more than \$1,000,000

- **If you are applying for LIHTC, please complete Section F, "LIHTC Project Development"**.

- Basis Boost**
_____ % **Amount of Basis Boost requested**

- Allocation of Tax-exempt Bonds - \$ _____

- Other (Please identify Source and Amount)

Source: _____ Amount: _____
Source: _____ Amount: _____
Source: _____ Amount: _____

F. LIHTC PROJECT DEVELOPMENT

If you are applying for LIHTC under the CRANE process, please attach the following Exhibits to the application:

EXHIBIT 1:

Provide a narrative describing the process used by the community to determine the needs of the community with respect to economic development, job creation and enhancement, and housing development in the community. Include in the narrative the needs identified by the community and the proposed solutions addressing those needs, including how the proposed project will meet those needs. Also include how current and potential employers and institutions (schools, hospitals, municipal service providers) located in the community will be involved in the development of businesses and the creation or enhancement of jobs.

EXHIBIT 2:

Provide a description of the proposed project. Include proposed number of units, type of units and amenities. If a site has been selected, please provide a location map and photographs, if available.

EXHIBIT 3:

Provide evidence of local support for the proposed project, including a letter of support from the appropriate city or county authorities.

EXHIBIT 4:

Provide a project cost schedule, statement of sources and uses, rents and expenses for the proposed project. Evidence of community based financial support of at least 10% in materials, services, and/or cash must be noted. Please use Exhibit 111 format.

EXHIBIT 5:

Provide evidence of community based financial support of at least 10% in materials, services and/or cash.

EXHIBIT 6:

Provide a narrative describing how the proposed project meets the requirements of one or more of the eligible project types as outlined in Section B above.

EXHIBIT 7:

If the proposed project is part of a neighborhood redevelopment plan, please attach a copy of the plan, evidence that the plan has been approved by the appropriate city or county authorities, and evidence of significant and material public investment. Identify how the proposed project meets the goals outlined in the plan.

EXHIBIT 8:

If applicable, provide evidence that the project addresses a finding or pattern of housing discrimination, or a pattern or finding of violation of fair housing laws.

G. LIHTC CONDITIONAL RESERVATION PROCESS

Successful CRANE Program applicants applying for LIHTC's will be notified, in writing, by NIFA and will receive a CRANE Category designation..

Applicants requesting LIHTC must submit to NIFA the full LIHTC Application including the sections listed below. A CRANE application requesting LIHTC must complete the full LIHTC application to move beyond a Category 3. The application can be downloaded at www.nifa.org.

- Components of the full LIHTC application:
- Section A: Instructions and Certification
- Section B: Development Overview
- Section C: Exhibit Checklist
- Section D: Other Selection Criteria
- Section E: Other Selection Criteria Checklist
- Section F: Description of Exhibits
- Section G: NIFA \ NDED – Scored Criteria

H. TAX-EXEMPT BOND PROCESS – Please use NIFA's Tax-Exempt Bond Application Form

I. NIFA RESERVES THE RIGHT TO CHANGE APPLICATION FORMS AND REQUIREMENTS AS NECESSARY TO MEET THE NEEDS AND PURPOSES OF THE PROGRAM.

All inquiries, applications and questions should be directed to:

Manager – LIHTC & CRANE Program
Nebraska Investment Finance Authority
1230 "O" Street
Suite 200
Lincoln, Nebraska 68508-1402
Phone: (402) 434-3900
Fax: (402) 434-3921
www.nifa.org