

Rural Workforce Housing Fund

- Created in 2017 with allocation of \$7 million
- 14 awards in 2017
- \$100 million in new housing
- 577 new households
- **\$10 million has been budgeted for this year**



Advantage of the RWHF



Workforce is a broad term and the workforce needs are dramatically different from one community to the next



The biggest advantage of RWHF is the ability to tailor the program to each community's needs

Matching Contributions

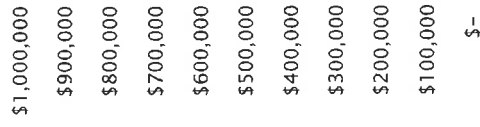
- ▶ Local match matched by NIFA up to \$250,000
- ▶ Money raised (including match by NIFA) will be matched by DED



Leverage of Local Funds

- \$ 250,000 in local funds
- \$ 250,000 NIFA match
- \$ 500,000 DED match
- \$1,000,000 TOTAL**

Local Contribution is Quadrupled



Local NIFA DED

The Western Nebraska Rural Workforce Housing Plan consists of focusing on areas of communities within Scotts Bluff, Morrill and Kimball counties where the majority of infrastructure is already in place and ready to build housing. A property must be within the city limits of the cities and towns to be eligible for the RWFH plan. No property outside of city limits or in the flood plain shall be deemed an eligible property for construction of a new home or the rehab of a existing homes in order to utilize rural workforce housing funds.

TCD will look at properties already owned by the City, a development partner or the contractor(s). The property is required to meet the guidelines to be eligible (being in city limits and not in a flood plain). The fund will concentrate on projects where infrastructure exists first and eventually, after all “ ready to build” lots have been exhausted, we will look at using the “Blighted and Substandard” and Tax Increment Financing Districts of communities to finance needed public infrastructure (such as streets and water and sewer lines).

The investment plan intends to use a mix of single-family homes, duplexes, and triplex housing. The investment plan will consider other housing units as deemed appropriate for the community and the allowable zoning. Most projects will consist of 2 and 3 bedroom homes with a garage (either single or double car garages). Construction of these housing units must meet the Rural Workforce Housing Guidelines to be eligible. New construction single family homes cannot exceed a sale price of \$275,000. New construction rental housing units cannot exceed \$200,000. Rehab is allowed, but the cost to rehabilitate must exceed 40% of the unit’s current assessed value.

The intent is to keep the plan open to all opportunities in housing and to fit various needs of the different communities in western Nebraska.

The Rural Workforce Housing Fund (RWHF) provides matching grants to non-profit development organizations administering workforce housing investment funds through a competitive process. The funds are invested in eligible projects to increase supply and reduce the cost of workforce housing in Nebraska's rural communities.

Workforce housing is housing that meets the needs of working families and is attractive to new residents locating in a rural community.

Housing Projects Eligible for RWHF Grants Include:

- New owner-occupied housing costing no more than \$275,000.
- New rental housing units costing no more than \$200,000.
- Owner-occupied or rental housing units for which the cost to substantially rehabilitate exceeds 50% of a unit's assessed value.
- Upper-story housing.
- Rehabilitation/conversion of an existing building into housing.
- And in all cases, housing that does not receive federal or state low-income housing tax credits, Community Development Block Grants, HOME funds, National Housing Trust Fund, or funds from the Affordable Housing Trust Fund.

Eligible Areas

Communities in a county with a population of less than 100,000 as determined by the most recent federal decennial census.

Presently, this excludes communities in Douglas, Lancaster, and Sarpy Counties.

Eligible Grantees

Grantees must be non-profit development organizations, approved by the DED director, that invest or intend to invest in workforce housing eligible activities, and have an active board of directors with expertise in development, construction, and finance.

Grants

Grants shall be awarded on a competitive basis until grant funds are no longer available. The initial competitive application cycle took place in 2017-18. A new allocation of funds allows for a 2020 application cycle. The 2020 application cycle is now open. A required Letter of Intent is due December 15, 2020. Applications are due January 28, 2021.

No more than \$1,000,000 may be awarded to any one non-profit development organization over a two-year period, with no more than \$2,000,000 cumulative for any single grantee through fiscal year 2020-21.

RWHF grants require a minimum one-to-one in matching funds.

Matching funds can be dollars contributed by individuals, businesses, foundations, local and regional political subdivisions, or other non-profit organizations into a single investment fund, administered by the eligible nonprofit development organization.

Awards

Competitive awards from the RWHF are evaluated on demonstrations of:

- Ongoing workforce housing needs as identified by a recent housing study.
- Difficulties filling employment positions or attracting workers in communities or regions with a low unemployment rate.
- A community's or region's commitment to growing its housing stock.
- A project's likelihood of occupancy in a period of 24 months.
- The ability to grow and manage an investment fund for rural workforce housing.

Rural Workforce Housing Funds - Example of Potential Loan Fund

NIFA funds	250,000.00	250,000.00	250,000.00	250,000.00
City of Scottsbluff LB840 Funds	350,000.00	350,000.00	350,000.00	350,000.00
City of Gering LB840 funds	150,000.00	150,000.00	150,000.00	150,000.00
City of Bayard	25,000.00	25,000.00	25,000.00	25,000.00
City of Mitchell or Morrill	25,000.00	30,000.00	30,000.00	40,000.00
City of Kimball /other cities	25,000.00	30,000.00	30,000.00	45,000.00
City of Minatare	25,000.00	25,000.00	25,000.00	25,000.00
Western NE Housing Opportunities	25,000.00	35,000.00	35,000.00	50,000.00
	<u>875,000.00</u>	<u>895,000.00</u>	<u>895,000.00</u>	<u>935,000.00</u>
DED Funds 1: 1 Match	875,000.00	895,000.00	895,000.00	935,000.00
Total RWFH revolving funds	1,750,000.00	1,790,000.00	1,790,000.00	1,870,000.00