

# The MEDC's Southwest Nebraska Revolving Housing Fund Program Guidelines

The objective of the McCook Economic Development's Southwest Nebraska Revolving Housing Fund is to bring relief to the pent up housing shortage in Southwest Nebraska and bring homes to the region that meet the needs of today's family and to provide economic stability to the Southwest Nebraska region by providing quality affordable housing to family's at or below 120% of Area Median Income and to connect eligible homebuyers to financial assistance toward the purchase of a newly constructed home in the communities of McCook, Benkelman and Cambridge, Nebraska.

## **1. Equal Opportunity and Fair Housing**

No person shall on the grounds of race, color, national origin, religion, sex, age, disability, familial status or sexual orientation be excluded from participation in, denied the benefits of, or be subjected to discrimination under any program or activity administered by The McCook Economic Development Corporation (MEDC) and the Southwest Nebraska Revolving Housing Fund (SWNRHF) and funded in whole or in part with Nebraska Affordable Housing Program Funds. The MEDC and the Southwest Nebraska Revolving Housing Fund (SWNRHF) and any program funded in whole or in part with Nebraska Affordable Housing Program Funds. The MEDC acknowledges it may not discriminate in its operation or in Project activities on the basis of age, religion, sex, race, color, national origin, disability, or familial status.

The MEDC will comply with all provisions of the Americans With Disabilities Act (ADA) with respect to hiring, training, and employment practices, including reasonable accommodation of persons with disabilities in hiring, training, and employment practices; and in assuring access by persons with disabilities to facilities and services provided by the Recipient to the general public.

The MEDC will comply with all federal and local laws applicable to the Project and all applicable to the use of Trust Funds, including but not limited to the following:

- Civil Rights Act of 1964.
- Age Discrimination Act of 1975.
- Section 504 of the Rehabilitation Act of 1973.
- Architectural Barriers Act of 1968.
- The Equal Employment Opportunity Act.
- Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.
- The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002).
- The Immigration Reform and Control Act of 1986.
- The Nebraska Fair Employment Practices Act.
- The Housing for Older Persons Act of 1995.
- Flood Disaster Protection Act of 1973.
- National Environmental Policy Act of 1969.
- National Historic Preservation Act of 1966.
- Lead-Based Paint Poisoning Prevention Act of 1971, the Residential Lead-Based Paint Hazard Reduction Act, and regulations at 24 C.F.R. Part 35.
- Clean Air and Federal Water Pollution Control Act, as amended.

Fair Labor Standards Act of 1938, as amended.

- Contract Work Hours and Safety Standards Act.
- Section 3 of the Housing and Urban Development Act of 1968; and 24 C.F.R. Part 135,

## **2. Types of Assistance**

### **Assistance to Applicant Communities**

a. The SWNRHF uses NAHTF funds to provide the applicant communities with upfront capital to provide the community with a newly constructed house affordable for households at or below 120% of AMI through a zero percent reimbursable loan. Upon the sale of the house, the SWNRHF is reimbursed the money that was borrowed to add and new house in McCook, Benkelman or Cambridge. The SWNRHF has budgeted \$174,250 for the construction of a new home in a ready community.

### **Direct Assistance to Homebuyers**

a. The SWNRHF is partnering with third party organizations and communities to that provide down payment assistance (DPA) to households at or below 120% AMI.

i. McCook EDC LB 840 will provide \$15,000 in DPA for eligible applicants in McCook

(Please see McCook's DPA Program Guidelines in Appendix F)

ii. Southwest Nebraska Community Betterment Corporation (SWNCBC) will provide DPA for eligible applicants in Benkelman. (See SWNCBC's DPA Program Guidelines in Appendix F)

iii. The Cambridge EDC will provide eligible applicants in Cambridge with DPA.

(Cambridge's DPA Guidelines in Appendix F)

## **3. Applicant Eligibility**

a. Applications for the Southwest Nebraska Revolving Housing Fund Homes will be taken on a first-come, first-serve basis. Readiness will include income qualified and pre-approval letter from a lending institution and a letter notifying the applicant of selection of Down Payment Assistance in his or her community. The applicant whose income is lower will be given preference.

b. All selected applicants are required to complete a REACH affiliated Homebuyer Education Class prior to closing and must provide a certificate of completion.

c. Applicant must be approved for a home mortgage with a commercial lender of his or her choice with a fixed rate mortgage of at least five years.

**4. Income Eligibility**

a. Gross Annual Income shall not exceed 120 % of Area Median Income. Please call the MEDC for the most current income limits.

**2018 Income Limits (120%) Effective 6/1/2018**

Town	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
McCook	\$57,120	\$65,280	\$73,440	\$81,600	\$88,200	\$94,680	\$101,280	\$107,760
Benkelman	\$57,120	\$65,280	\$73,440	\$81,600	\$88,200	\$94,680	\$101,280	\$107,760
Cambridge	\$57,120	\$65,280	\$73,440	\$81,600	\$88,200	\$94,680	\$101,280	\$107,760

b. applicant will receive an award letter or denial letter after the Gross Annual Income has been determined.

**5. Application Process**

a. Prospective Applicant receives SWNRHF Program Guidelines and well as Down Payment Assistance Program Guidelines for their respective communities from a SWNRHF representative from the applicant's respective town. The MEDC for McCook applicants, the Benkelman CRA for Benkelman applicants and the City Offices in Cambridge for Cambridge applicants.

b. Prospective Applicant:

- 1. Becomes pre-qualified.
- 2. Is income qualified by third party verification and verified as a recipient of DPA in their respective community.

c. Southwest Nebraska Revolving Housing Fund Review Team:

- 1. Review application, financial information, lender documents and DPA verification.
- 2. Sends written notification to the applicant for selection or non-selection for the program.
  - i. If selected, the homebuyer will receive a photo release waiver granting the MEDC and the SWNRF Team permission to take be/are and after photos inside and outside of the property and used for promotional purposed. Refusal to sign the release does not affect the status of selection. If the homebuyer does sign, they will be notified and asked by phone or email if the photos can be collected and used. The MEDC and the SWNRHF Team will only take photos once the homeowner has confirmed.*
- 3. Attends a REACH approved Homebuyers Education Class.

**6. Application Selection**

a. Applications will be taken on a first come-first serve basis. Readiness will include income verification, DPA selection verification and approval letter from a lender.

b. In the event of all necessary information on more than one project application, including commitment by the first mortgage lender and Down Payment Assistance, is provided to the MEDC's SWNRHF Team on the same day, and the balance of funds that are available are not sufficient to cover all projects, the applicant whose income is lower will be given preference.

## **7. Affordability Period**

- a. The Funds in the SWNRHF are required to construct new homes in Southwest Nebraska for five years that are affordable to households at or below 120% AMI.
- b. After five years the SWNRHF can de obligate the funds with a majority vote of the MEDC Board of Directors to construct new homes without income restrictions in an effort to increase the SWNRHF to 100% of its original value, Program Income collected from the sale of a house that does not have an income restriction will go first to the applicant community to repay its match if applicable, the remaining program income will replenish the SWNRHF. Once the SWRHF reaches 100% of its original value, the next three homes shall be affordable to households at or below 120% **AMI** so that the SWNRHF can further affordable housing in Southwest Nebraska.
- c. Each community's Down Payment Assistance program has its own affordability period and methods of ensuring the affordability period and principle residence of the homebuyer for 10 years. Guidelines for each of the DPA programs can be found in Appendix F.

## **8. Maximum Purchase Price**

The maximum purchase price of any home using these NAHP funds under these guidelines **will** not exceed 140 percent of the median purchase price for the area as defined by the NDED at <https://opportunities.nebraska.gov/grow-your-community/data-for-applicants-and-grantees/>.

The MEDC and the Southwest Nebraska Revolving Housing Fund Team prohibits the use of Lead Based Paint in the home or on the exterior of the home. The MEDC and the Southwest Nebraska Revolving Housing Fund Team will comply with HUD's lead-based paint regulation requirements. Title IV of the Lead-Based Paint Poisoning Prevention Act and regulations at .24 C.F.R. Part 35 provides specific circumstances in which additional procedures and trained professionals are required in order to ensure there are no lead-based paint hazards remaining after or created by the rehab activity.

## **9. Property Eligibility**

- a. Single-family units
- b. Must be located within the incorporated limits of McCook, Benkelman and Cambridge.
- c. Serve as the Principle residence for the homebuyer.
- d. Meet the financial guidelines (appraisal).
- e. Be permanently attached to a permanent foundation.
- f. Taxed as Real Property.
- g. Home must meet mortgage inspection requirements as well as the NDED standards.
- h. Newly constructed housing must meet or exceed the International Energy Conservation Code and the Nebraska Energy Office must approve building specifications.

**10. Construction Standards**

All homes and structures sold, rehabilitated, constructed or transferred under this program shall be subject to the current building and zoning standards and ordinances of the city and county in which they are sold, rehabbed, constructed or transferred and any construction standards or codes adopted hereafter and shall meet or exceed the NDED Rehabilitation Standards. It shall be the intent of all concerned to build or rehabilitate a home that incorporates current building standards and methods of energy efficiency. Newly constructed homes will meet or exceed the 2009 (or most current) International Energy Conservation Code.

**11. Lead Based Paint**

- a. The SWNRHF is currently doing New Construction only.
  
- b. The MEDC and the SWNRHF will determine LBP homes participating on the SWNRHF on a case by case basis. The MEDC and the SWNRHF prohibits the use of lead-based paint in the homes and on the exterior of the home. The MEDC and the SWNRHF will comply with HUD's lead-based paint regulation requirements.

**12. Marketing Strategy**

Marketing tools will be developed, such as brochures, flyers, digital graphics and applications for distribution in the public assistance agencies that operate in McCook, Benkelman and Cambridge, including but not limited to Housing Authorities and Low-income rental program organizations.

Informational marketing for this program will be posted throughout each of the applicant communities in places that include but are not limited to post offices, city offices, grocery stores, convenience stores and social community centers. Area media will be contacted and solicited for support via news stories, feature articles and community services announcements. Each community's website will feature information and program guidelines. Information and instructions on where to learn more about the project will be posted on the applicant communities' social media handles.

**13. Conflict of Interest**

- a. No official employee or agent of the MEDC or the SWNRHF Team who exercises policy or performs decision-making functions or responsibilities in connection with the planning and/or implementation of the program shall directly or indirectly benefit from this program. The prohibition shall continue for one year after an individual's relationship with the program ends, Any other employee, officer, or board member may be eligible, but will be treated without difference in the determination of the application shall be a statement of disclosure, which outlines any interest the applicant may have in the operation of the Program.
  
- b. Employees, offices and agents cannot accept gratitude's, favors or anything of monetary value from the contractors, potential contractors or parties with sub agreements.

c. A waiver process shall be available to allow for the previously identified ineligible persons to be eligible for participation in the program. The waiver process will consist of request for approval by the following entities: The Southwest Nebraska Revolving Housing Fund Review Team and the MEDC. Each person requesting a waiver must describe their need (or participation in the program and, if approved, agree to disassociate themselves from any decision-making that directly affects them.

d. Upon written request, on a case-by case basis may grant exceptions to the Conflict of Interest provisions only after the following have been completed: 1) Disclosed the full nature of the conflict and submitted proof that the disclosure has been made public. 2) Provided a legal opinion stating that there would be no violation of state or local law of the exception was granted.

**14. Grievance Procedures**

Persons and or families who believe their application was not given fair consideration or that they have been discriminated against should give the reasons, in writing to the MEDC Board of Directors within 10 days of the decision. The MEDC Board shall take the letter under consideration at the next regularly scheduled meeting. If the homebuyer is not satisfied with the response, a third party will be used to assess the situation and settle the dispute. Following review by the third party, if the homebuyer is not satisfied, they can contact the Nebraska Department of Economic Development office.

**15. Guideline Amendments**

These Program Guidelines may be amended as appropriate by a majority vote of the McCook Economic Development Corporation Board of Directors with notice to and approval from the appropriate Nebraska Department of Economic Development Program Representative.

These Southwest Nebraska Revolving Housing Fund Guidelines have been approved by the McCook Economic Development Corporation Board of Directors on June 12, 2019

  
Dennis Berry, President