

Press Release

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FOR IMMEDIATE RELEASE

NIFA Establishes the LB 518 Match Program

(**January 4, 2018**) Lincoln, NE - The Nebraska Investment Finance Authority (**NIFA**) Board of Directors has authorized the establishment of the LB 518 Match Program ("**LBMP**") within the Nebraska Opportunity Fund ("**NOF**") for purposes of promoting, developing, implementing and financing rural workforce housing by providing match funds to applicants making applications to the Rural Workforce Housing Fund ("**RWHF**") administered by the Department of Economic Development ("**DED**").

The Board authorized the allocation of up to \$5 million to the LBMP to assist RWHF applicants with a portion of their required financial matching funds.

Funds from the LBMP, limited to a maximum of \$250,000 per recipient, may not exceed (33%) of the total amount of funds proposed to be invested by the recipient, and must be deployed by the recipient as revolving funds to insure the continual utilization of the LBMP funds in support of RWHF initiatives.

Other program parameters:

- LB 518 Match may be used in connection with workforce housing programs and projects to be located or carried out in cities or villages (including within their extraterritorial jurisdiction) with populations of less than 50,000.
- A comprehensive housing study for the area in which the project will be located or the program carried out using NIFA's LB 518 Match must have been completed or updated within the prior 24 months.
- Consistent with the NIFA Act, the purpose of the LB 518 Match Program is to create workforce housing to be made available for members of the workforce population whose household income does not exceed 150% of the *American Community Surveys-Nebraska Statewide Median Family Income* for a family of four which, as determined by the Board of NIFA, shall constitute moderate income.¹ Accordingly, NIFA will require that a percentage of the units produced (such percentage to be based upon the

¹ Source: Currently the *American Community Surveys-Nebraska Statewide Median Family Income* for a family of four (\$85,885) multiplied by 150% is \$128,827.50.

percentage that the LB 518 Match bears to the total cost of the project) be made available to persons of moderate income.

- A significant commitment of local community resources and support is required to receive the NIFA LB 518 Match.

NIFA staff will immediately commence to develop detailed program guidelines, and application procedures and forms, which will be posted on the NIFA website at www.nifa.org once available.

(The Nebraska Investment Finance Authority is a quasi-governmental authority charged with the mission to provide Nebraskans a broad range of financial resources for homeownership, rental housing, agricultural, manufacturing, and medical and community development endeavors, as well as technical assistance for activities related to these areas. Federal tax or Nebraska state tax dollars are not used to fund the NIFA LBMP program.)

NEBRASKA INVESTMENT FINANCE AUTHORITY LB 518 MATCH PROGRAM

The following is an outline of the general parameters approved by the Board of the Nebraska Investment Finance Authority (NIFA) at its meeting on December 13, 2017, for NIFA's LB 518 Match Program. Specific program guidelines and the process for application of LB 518 Match are under development and will be available at www.nifa.org by the end of January, 2018.

Authorized Uses of Funds in the LB 518 Match Program Account

Amounts credited to the LB 518 Match Program Account may be used in all aspects related to the promotion, development, production, implementation, financing and securing of workforce housing as permitted by the NIFA Act.

Eligible Recipients for LB 518 Match

Eligible Recipients for LB 518 Match are non-profit development organizations authorized to submit an application for funds from the Nebraska Rural Workforce Housing Fund (RWHF). The Executive Director will establish a process to review applications for and make allocations of LB 518 Match funds. Priority will be given to those applications which demonstrate significant collaboration with, and financial support from, private for-profit parties, private non-profit foundations and local governmental entities.

Limits on Allocations of LB 518 Match

No Eligible Recipient shall receive from NIFA in excess of \$250,000 of LB 518 Match. NIFA shall not provide LB 518 Match in excess of 33% of the total amount of funds proposed to be deployed by the Eligible Recipient in its application for funds submitted to the RWHF for NIFA eligible uses.

Use of LB 518 Match

LB 518 Match may not be used by the Eligible Recipient to make a grant. LB 518 Match shall be used by the Eligible Recipient to establish a financing structure that provides for a revolving fund, with funds represented by the LB 518 Match repaid to the Eligible Recipient throughout the program, providing the Eligible Recipient with the ability to continually use the funds. If the Eligible Recipient will deposit the funds in its rural workforce investment fund or use moneys in the fund to make loans, such Eligible Recipient shall deploy such funds to receive a rate of return at least equal to the rate of inflation.

Moneys representing LB 518 Match shall be provided by NIFA in cash and may be used by the Eligible Recipient for the following in connection with workforce housing:

- leveraging of loans or other contractual obligations consistent with the NIFA Act in conjunction with other parties (e.g., participations in loans/guarantees)
- loan guarantees
- loan subsidies
- direct loans for lot development or construction of buildings
- capitalizing reserve funds
- standby or conditional "take-outs" of loans

- permanent loans for purchasers of structures
- providing technical assistance in connection with the development of workforce housing
- such other purposes, acceptable to the Executive Director, that comply with the provisions of LB 518 and the Nebraska Investment Finance Authority Act (the “NIFA Act”)

Additional LB 518 Match Program Parameters

1. LB 518 Match may be used in connection with workforce housing programs and projects to be located or carried out in cities or villages (including within their extraterritorial jurisdiction) with populations of less than 50,000.

2. A comprehensive housing study for the area in which the project will be located or the program carried out using LB 518 Match must have been completed or updated within the prior 24 months.

3. In accordance with the determinations of the Operating Resolution and consistent with the NIFA Act, the purpose of the LB 518 Match Program is to create workforce housing to be made available for members of the workforce population whose household income does not exceed 150% of the *American Community Surveys-Nebraska Statewide Median Family Income* for a family of four which, as determined by the Board of NIFA, shall constitute moderate income.² Accordingly, NIFA will require that a percentage of the units produced (such percentage to be based upon the percentage that the LB 518 Match bears to the total cost of the project) be made available to persons of moderate income.

4. There shall be a significant commitment (as determined by the Executive Director) of local community resources and support.

5. Workforce housing shall consist of and shall have such other parameters as the Executive Director shall reasonably determine from time to time which are consistent with the parameters set forth herein.

6. Any LB 518 Match Funds not used by the Eligible Recipient within the time specified by the Executive Director shall be returned to NIFA.

Questions? Contact Robin Ambroz at 402-434-2947 or robin.ambroz@nifa.org.

NOTE: Recipients of funds from the RWHF (and which do not use NIFA’s LB 518 Match Program for a portion of their match) may be eligible for loans from other Workforce Housing Programs offered by NIFA to assist in the financing of costs which are not allowable with RWHF funds, but which are consistent with the NIFA Act. Contact NIFA for more information.

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