

## Nebraska Administrative Code

### Title 85 - NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

#### Chapter 4 - Microenterprise Development Act

The Nebraska Department of Economic Development, under the authority of, and compliance with Sections 81-1295 through 81-12,105 of the Nebraska Revised Statutes Supplement, 1997, promulgates the following Microenterprise Development Act Rules and Regulations as prescribed and are effective until revoked or amended.

#### 001 Definitions

001.01 Act. The Act means the Microenterprise Development Act.

001.02 Commercial Lending Organization. Commercial Lending Institutions means any financial institution defined in subsection (4) of 8-157 of the Nebraska Revised Statutes, 1991.

001.03 Department. The Department means the Nebraska Department of Economic Development.

001.04. Director. The Director means the Director of the Nebraska Department of Economic Development.

001.05 Microenterprise . Microenterprise means any business whether new or existing with five or fewer employees full time employees and includes startup, homebased and self-employed businesses.

001.06 Microloan Delivery Organization. Microloan Delivery Organizations means any community based or nonprofit program which has developed a viable plan for providing training, access to financing and technical assistance for microenterprise and which meets the criteria and qualification established for the Act.

001.07 Operating Costs. Operating costs means the costs associated with administering a loan, a loan guaranty, a revolving loan program, or providing for business training and technical assistance to a microloan recipient.

001.08 Program. Program means the Microenterprise Partnership Program.

001.09 Statewide Microlending Support Organization. A Statewide Microlending Support Organization means any community based or nonprofit organization which has a demonstrated capacity and a plan for providing administering grants or loans to microloan delivery organizations.

002 Needs Identified in the Act

002.01 Encourage Microenterprise entrepreneurship. The Act identifies a need to encourage microenterprise entrepreneurship for microenterprise development.

002.02 Create employment. The Act identifies a need to create employment and employment opportunities in areas of chronic economic distress and in low income urban and rural areas.

002.03 Lack of credit sources. The Act declares that Nebraska's microenterprises often do not have access to commercial sources of credit because of a lack of business experience, training and or collateral to secure business loans, or business records to demonstrate their loan repayment potential.

003. Purposes Identified in the Act.

003.01 Creation of Microenterprises. The Department is to provide funding which will foster the creation of microenterprises throughout the state.

003.02 Coordinating Office. The Act establishes the Department as the coordinating Office for the facilitation of microlending and microenterprise development in the state. This Office will facilitate the development of a permanent, statewide infrastructure of microlending support organizations to serve Nebraska microenterprise and self employment sectors.

004 Eligible Applicants under the Act.

004.01 Microloan Delivery Organization. Any community based or nonprofit program which has developed a viable plan for providing training, access to financing and technical assistance for microenterprises and which meets the criteria and qualifications established for in the Act.

004.02 Regional Microlending Delivery Organizations, which provide services throughout a region, a county or several units of governments are eligible to receive funding under the Act .

005 Grant Amount. The Department will provide up to \$25,000 in funds appropriated under this Act for each qualified Microenterprise Delivery Organization. approved by the Evaluation Committee. For any funds used to establish a revolving loan fund or guaranty funds, 50% of such program funds must be used for microloans which do not exceed \$10,000.

006 Purposes for which Grants made by the Department may be used for as established in the Act.

006.01 Grants may be used to satisfy matching funds requirements for other federal or private grants which are made to Microloan Delivery Organizations.

006.02 Grants made by the Department may be used to establish a revolving loan fund from which the Microloan Delivery Organizations may make loans to microenterprises.

006.03 Grants made by the Department may be used to establish a guaranty fund from which the Microloan Delivery Organizations may guarantee loans made by commercial lending institutions to microenterprises.

006.04 Grants made by the Department to Microloan Delivery Organizations may be used to provide funding for the operating costs of microloan delivery organizations.

007 Application Process and Evaluation.

007.01 Application. All eligible Microenterprises and Microenterprise Delivery Organizations will submit an application to the Department for review and approval. The application will be evaluated based upon the criteria established in the Act.

007.02 Evaluation Committee. Applications will be evaluated by a Departmental committee. This committee will be appointed by the Director, or their designee, and will consist of representatives from the Department, banking industry, regional organizations, councils of governments and others as determined by the Director.

Where funds under this Act are leveraged with non-state funds of a Statewide

Microlending Support Organization, the Director may authorize integrating Program procedures and evaluation committee members with that of the Statewide Microlending Delivery Organization.

007.03 Evaluation Criteria. Applications made to the Department by Micro- loan Delivery Organizations may be evaluated based on the following criteria established in the Act.

007.03A The Microloan Delivery Organization's plan for providing business development services and microloan loans to microenterprises. This plan must include a comprehensive scope of services and coordination of services and loans by the Microloan Delivery Organization with commercial lending institutions.

007.03B All geographic areas and regions of the state, including both urban and rural communities, neighborhoods should be considered.

007.03C The ability of the Microloan Delivery Organization to provide for business development in areas of chronic economic distress and low income regions of the state.

007.03D The ability of the Microloan Delivery Organization to provide business training and technical assistance to microloan clients.

007.03E The ability of the Microloan Delivery Organization to monitor and provide financial oversight of the recipients of the microloans.

007.03F The ability of the Microloan Delivery Organization to have sufficient sources of operating funds presently and in the future.

007.03G The ability of the Microloan Delivery Organization to match granted funds. Granted Funds must be matched by nonstate funds equivalent in money or in kind equal to each one dollar for each one dollar of the grant funds requested. Such matching funds can come from any nonstate source, including private foundations, federal or local governments sources, quasi-governmental entities or commercial lending institutions, or any other funds whose source does not include funds appropriated from the Legislature.

007.03H At least fifty percent of the microloans must be disbursed by the Microloan Delivery Organizations in microloans which do not exceed ten

thousand dollars.

008 Engage in Contractual Relations.

The Act enables the Department to engage in the contractual relationship with a Statewide Microlending Support Organization which has the capacity to administer grants subject to the requirements of the Act and where such relationships would leverage additional nonstate support funds

008.01 Funds granted to any Statewide Microlending Organizations must be matched by nonstate funds equivalent in money or in kind equal to one dollar for each one dollar of grant funds requested. Such matching funds can come from any nonstate source, including private foundations, federal or local government sources, quasi-governmental entities or commercial lending institutions, or any other funds whose source does not include funds appropriated from the Legislature.

008.02 The Act requires that no greater than 10% of the appropriate or contracted funds are to be used by the Department or the Statewide Microlending Support Organization for operating and administration expenses required for this Program.

009 Reporting Requirements.

The Department will submit an annual report to the Governor and the Legislature on or before January 1 of each year which will include, but not be limited to, a description of the demand for the program from microenterprises and grant recipients in Nebraska, a listing of the recipients and amount of grants made pursuant to the Microenterprise Development Act in the previous fiscal year, the impact of the grants, a description of the partnership between commercial lending institutions and microloan delivery organization that have resulted from grants made by the program and a evaluation of the program's performance based on the documented goals of the recipients. The Department may require program recipients to provide periodic performance reports to enable the Department to fulfill the requirements of the reports to the Legislature.

0010. Nondiscrimination.

All recipients of the funds granted under this Act must adhere to all state and federal civil rights rules and regulations. Recipients under this Act must agree that they will not discriminate based upon race, sex, creed, color, age national origin and disability.

2/24/98

**TITLE 86, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 5**

NEBRASKA DEPARTMENT OF ECONOMIC DEVELOPMENT

Rules and Regulations Concerning the  
Administration of the Affordable Housing Act

Issue Date: November 15, 1997

TITLE 86 NAC5

ALPHABETICAL TABLE OF CONTENTS

<u>Subject or Title</u>	<u>Statutory Authority</u>	<u>Code Section</u>
Administration	Neb. Rev. Stat. ' 58-703; ' 58-704; ' 58-705; LB 864	Section 001
Eligible Activities	Neb. Rev. Stat. ' 58-706; ' 58-707; ' 58-708; LB 864	Section 002
Qualified Allocation Plan	Neb. Rev. Stat. ' 58-706; ' 58-707; ' 58-708; LB 864	Section 003
Regulations for the Affordable Housing Act	Neb. Rev. Stat. ' 58-709	Section 004

## TITLE 86-DEPARTMENT OF ECONOMIC DEVELOPMENT

### Chapter 5 - Rules and Regulations Concerning the Administration of the Affordable Housing Act

#### 001. Administration.

Rules and Regulations relating to administration of the Affordable Housing Act. Pursuant to provisions of Legislative Bill 1322, Ninety-Fourth Legislative, Second Session, 1996 and Legislature Bill 864, Ninety-Fifth Legislature, First Session, 1997, the following rules and regulations shall govern the procedures for administration of the Affordable Housing Act. In the course of administering these Rules and Regulations, the Department reserves the right to amend and modify these Rules and Regulations and the director of the Department shall interpret these Rules and Regulations in a manner to further the purposes and goals of the Trust Fund.

#### **001.01** Definitions

Certain terms are defined below. Additional terms may be defined by the Department in any program guidelines.

**001.01A** Affordable-means that monthly rents, including utilities, in the case of a renter, and principal, interest, taxes and insurance, in the case of a homeowner, do not exceed 30% for a renter and 28%-33% for a homeowner of an amount representing the percentage of the area median income limits Adjusted for Family Size. However, it is not the intent to limit a household's ability to devote more than the above percentages of its income to housing if it so chooses.

**001.01B** Committee-means the Housing Advisory Committee established pursuant to the Affordable Housing Act.

**001.01C** Community-Based or Neighborhood-Based Organization-means a nonprofit

organization meeting the requirements of CDBG, HOME or Nebraska Statutes as they relate to nonprofit organizations that has as one of its purposes the provision or preservation of Affordable housing to Persons Who Have Special Needs or to Very Low-Income or Low-Income Households and which organization is acceptable to the Department, e.g., can demonstrate success in undertaking and completing Eligible Housing activities or has the necessary development team in place coupled with responsible asset management staff, has the support of the community in which the Eligible Housing activity is to be undertaken, can demonstrate community involvement in the planning and management of the Eligible Housing activity, etc.

**001.01D** Department-means the Nebraska Department of Economic Development.

**001.01E** Eligible Applicant-means a Community-Based or Neighborhood-Based Organization, a Governmental Subdivision, a local or regional housing authority, a community action agency, a tribally-affiliated or reservation-based nonprofit organization and a for-profit entity that is working in conjunction with one of the foregoing Eligible Applicants that applies for an award under the Program for the purpose of providing Eligible Housing for Eligible Households. For-profit entities working in conjunction with one of the foregoing Eligible Applicants may be eligible for an award if they can demonstrate through a contractual arrangement that the project could not be financially, nor programmatically successful without joint cooperation and/or collaboration. Eligible Applicant shall not include any individual.

**001.01F** Governmental Subdivision-means a tribal government, county government, municipality, township or village.

**001.01G** Low-Income Household-means one or more natural persons that has a total gross income for the household that does not exceed 100% (in the case of homeownership) and 80% (in the case of rental housing) of the median income adjusted for family size for households within the metropolitan statistical area (MSA) the county or the nonmetropolitan median for the State, whichever is greater, will be used.

**001.01H** Persons Who Have Special Housing Needs-means a Low-Income or Very Low-Income Household with a member who, because of particular social, economic or health-related circumstances, may have greater difficulty acquiring or maintaining Affordable housing. Such persons may include, but are not limited to, Persons with Disabilities, persons with mental illnesses or chemical dependency, persons with Acquired Immune Deficiency Syndrome ("AIDS") and Human Immunodeficiency Virus ("HIV") disease, runaway and abandoned youth, public assistance recipients, migrant and seasonal farm workers, refugees and entrants and the elderly.

**001.011** Persons With Disabilities-means a household composed of one or more persons, at least one of whom is an adult, who has a disability.

(a) A person is considered to have a disability if the person has a physical, mental or emotional impairment that:

- (i) is expected to be of long-continued and indefinite duration;
- (ii) substantially impedes his or her ability to live independently; and
- (iii) is of such a nature that such ability could be improved by more suitable housing conditions.

(b) A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that:

- (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) is manifested before the person attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency; and

(v) Reflects the person's need for a combination and sequence of special, interdisciplinary or generic care, treatment or other services that are of lifelong or extended duration and are individually planned and coordinated. Notwithstanding the preceding provisions of this definition, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being and the surviving member or members of any household described in the first sentence of this definition who were living in a unit assisted with an award with the deceased member of the household at the time of his or her death.

**001.01J** Qualified Allocation Plan-means the Plan as set forth in Part 003. of these Rules.

**001.01K** Trust Fund-means the Affordable Housing Trust Fund created pursuant to the Act.

**001.01L** Very Low-Income Household-means one or more natural persons that has a total gross income for the household that does not exceed 50% of the median income adjusted for family size for households within the metropolitan statistical area (MSA), the county or the nonmetropolitan median for the State, whichever is greater.

## **001.02 Application**

Eligible Applicants may apply to the Department for funding of awards. Eligible Applicants and recipients of awards may not discriminate on the basis of age, religion, sex, race, color, disability, familial status or national origin. Eligible Applicants who are recipients must conduct an annual, certified, external audit.

**001.02A** Application Form/Guidelines/Fund Availability. Such application and instructions for completing the same, together with any guidelines, shall be provided by the Department. All applications for awards shall be made on forms provided by the Department. The Department shall publish notices of fund availability.

**001.02B** Application Periods. The Department shall announce the periods during which applications for awards shall be accepted.

**001.02C** Department Action. A project list and recommendations of funding priority shall be presented to the Department following rating and ranking of all eligible projects by the Department staff in accordance with the Qualified Allocation Plan. The Department may approve, modify or disapprove an application for any project on the list. The Department may change the order of the list and may fund up to any percent it sees fit for a project. Any reasons for change or disapproval of any recommended project or funding level shall be included in the motion for change.

**001.02D** Applications Not Selected. An Eligible Applicant whose application is not selected shall be notified by the Department in writing. Such notification shall include the reason for not funding the application. The Eligible Applicant may appeal the decision of the Department as provided by the Administrative Procedure Act (Chapter 84, Article 9).

### **001.03 Project Selection Criteria**

The Department shall evaluate each application in accordance with the Qualified Allocation Plan as set forth in Part 003.

### **001.04 Award Agreement**

After the Department has approved an award, the Department and the recipient shall execute an award agreement. The agreement will establish any requirements or parameters with respect to such award. Execution of the agreement by the Department constitutes its approval of the award as described in the approved application. Awards are governed by any applicable provision of state statutes in effect at the time of execution of the agreement and any statute or any amendment to any statutes subsequent to the execution of the agreement. Any amendment to the agreement must be formally agreed to by both the Department and the recipient.

### **001.05 Recipient Performance**

Recipients are expected to commence projects in a timely manner. A time line will be established and included in the award agreement. Failure to initiate the project in a reasonable time period may be cause for termination of the award, return of unused funds at the time of termination, cancellation of the award by the Department or require remedial action on the part of the Recipient. Awards must be used within the time limits set forth by the Department. The Recipient may appeal the decision of the preceding actions by the Department as provided by the Administrative Procedure Act (Chapter 84, Article 9).

### **001.06 Program Eligibility**

Recipients may not discriminate on the basis of age, religion, sex, race, color, disability, familial status or national origin. Recipients must conduct an annual, certified, external audit.

### **001.07 Audits and Record Keeping**

The Department may conduct performance review monitoring visits and audit project and program costs and records for compliance with the award agreement, including costs and records that are part of the matching contribution, if any exists. Recipients shall keep adequate records relating to the program, and all records shall be retained in accordance with State laws.

**001.07A Final Report.** The recipient shall prepare a final report which shall include data that can be used to measure the success or failure of the project, anticipated problems

or other pertinent matters.

**001.08 Noncompliance**

The Department may revoke awards, seek repayment of awards or both if:

**001.08A** the terms of the award agreement have not been, nor are anticipated to be, fulfilled;

**001.08B** the Department finds that the application contained inaccuracies, omissions, errors or misrepresentations;

**001.08C** the time schedule for program completion was misrepresented or has not been maintained;

**001.08D** any property, real or personal, acquired or developed with award funds passes or diverts from control of the recipient or are used for purposes other than the approved program purpose, unlawful or otherwise; or

**001.08E** the recipient appeals the decision of the preceding actions by the Department as provided by the Administrative Procedure Act (Chapter 84, Article 9).

**001.09 Fund Disposal**

Any funds required to be returned shall be deposited in the Trust Fund and reallocated to Recipients for purposes of or projects related to the Region with respect to which such funds were initially allocated. In the event the Trust Fund should lapse or terminate, such returned funds shall be deposited in accordance with state law.

**001.10 Remittance of Unlawfully Used Funds**

The recipient shall have a period of one month after notification by the Department in which to remit unlawfully used funds, and the Department shall have all remedies available by law to ensure such funds are remitted and used for lawful purposes and may enter into agreements with the recipient to correct the misuse of funds.

### **001.11 Ineligibility**

Whenever the Department determines at any time that a recipient is in violation of the Rules, the recipient shall be ineligible for further assistance for subsequent projects until the matter has been resolved to the satisfaction of the Department.

### **001.12 Annual Review**

The Department shall conduct a review of these Rules at least annually and in accordance with the Open Meeting Laws of the State of Nebraska.

### **001.13 Conflict of Interest**

Any Department employee or Department board member who sits on any board of an Eligible Applicant that will be submitting an application for an award from the Trust Fund will be prohibited from participating in discussion on and shall not vote on a particular project for funding consideration. Such conflict of interest shall be disclosed by the party and reported to appropriate authorities pursuant to State statutes.

### **001.14 Reports**

The Department shall submit an annual report to the Legislature pursuant to the Affordable Housing Act.

**002. Eligible Activities.**

**002.01 Eligible Housing**

Subject to the additional provisions of these Rules, the following are eligible activities for assistance from the Trust Fund:

**002.01A** Awards for new construction, rehabilitation or acquisition of eligible housing. (Such awards may constitute matching funds to secure other sources of funding needed to undertake new construction, rehabilitation or acquisition of eligible housing.)

**002.01B** Acquisition of eligible housing units for the purpose of maintaining the continued affordability of such eligible housing.

**002.01C** Eligible housing which makes Affordable housing more accessible to elderly persons or Persons Who Have Special Housing Needs.

**002.01D** Eligible housing providing housing in areas determined by the Department to be of critical importance for the continued economic development and economic well-being of the community and where, as determined by the Department, a shortage of Affordable housing exists.

**002.01E** Infrastructure projects necessary for and in conjunction with the development of Affordable housing.

**002.01F** Down payment and closing cost assistance.

**002.02 Eligible Technical and Operating Cost Assistance**

Eligible technical assistance and operating cost assistance activities eligible for awards from the Trust Fund shall be established by the Department.

**002.03 Forms of Assistance**

The forms of permissible assistance for eligible housing shall be established by the Department.

**003. Qualified Allocation Plan.**

**003.01 Qualified Allocation Plan**

The Department shall adopt a Qualified Allocation Plan as required by the Act.

**003.02 Funding Allocations**

**003.02A** Regional Fund. A percentage of the available assets of the Trust Fund to be established by the Department shall be reserved for the regions of the State to be determined by the Department. Fund reservations to each Region shall be based upon a guaranteed amount and may include an additional amount that takes into consideration population, housing need factors, economic growth factors and/or numbers of incorporated communities and such other factors as deemed appropriate by the Department.

**003.02B** State Innovative Project Fund. A percentage of the available assets of the Trust Fund to be established by the Department shall be made available on a statewide basis for programs and projects that, as determined by the Department, have a statewide application and (i) are highly leveraged, (ii) address special opportunities or (iii) are model or demonstration projects which have a likelihood of replicability, provided that the Department may elect not to make any amounts available for such statewide programs.

**003.02C** Administrative/Technical Assistance and Operating Cost Assistance. A percentage of the available assets of the Trust Fund to be established by the Department shall be reserved for administrative/technical assistance and operating cost assistance.

**003.02D** Project Types. The Department may establish certain percentages to be applied to the Funding Allocations for specific types of projects.

**003.02E** Percentages as Guidelines. The Department, in its discretion, may adjust the percentages of moneys allocated in each of the Funding Allocations and Project Types in Section 004.02 to meet the particular needs and priorities of each of the regions and to fulfill the purposes of these Rules and the Act.

### **003.03 Priorities, Review and Selection Criteria**

The Department shall establish priorities and selection criteria for the reviewing of applications and making of awards.

### **003.04 Required Match**

Each recipient of an award shall be required to provide, or cause to be provided, matching funds for the eligible housing in an amount determined by the Department (which shall be at least equal to 10% of the amount of the award).

### **003.05 Ineligible Properties, Costs and Activities**

The Department shall establish those properties, activities and costs that may not be assisted or funded with Trust Fund resources regardless of the type of activity undertaken.

### **003.06 Audit Requirements**

Recipients of Trust Funds must have a financial statement and compliance audit conducted by an independent certified public accountant authorized to practice in the State of Nebraska. An audit report is required for each fiscal year during the term of the award agreement in which the recipient expends \$50,000 or more under the award agreement. A cost certification audit may be required in place of or in addition to a compliance audit.

### **003.07 Rental Housing Policies**

The Department shall establish policies for the use of Trust Funds for rental housing, including, but not limited to, policies with respect to the terms of assistance, tenant eligibility, eligible costs and affordability restrictions, including acquisition, rehabilitation, preservation of affordable units and new construction.

### **003.08 Homebuyers' Assistance Policies**

The Department shall establish policies for the use of Trust Funds for homeownership, including, but not limited to, uses of funds, eligible beneficiaries, property types and eligible costs.

### **003.09 Rehabilitation of Existing Owner-occupied Property Policies**

The Department shall establish policies for the use of Trust Funds for rehabilitation of existing owner-occupied properties, including, but not limited to, terms of assistance, eligible beneficiaries, eligible property types and eligible costs.

### **004. Regulations for the Affordable Housing Act.**

#### **004.01 Statutory Authority**

This chapter is adopted pursuant to the duty vested in the Department of Economic Development in the following Revised Statutes of Nebraska (R.R.S.):

##### **004.01A** Section 8-1120(6) R.R.S., which reads:

The Securities Act Cash Fund is created. All filing fees, registration fees, and all other fees and all money collected by or paid to the director under any of the provisions of the act shall be remitted to the State Treasurer for credit to the fund, except that registration fees collected by or paid to the Director of Insurance pursuant to the provisions of the act shall be credited to the Department of Insurance Cash Fund. The Securities Act Cash Fund shall be used for the purpose of administering and enforcing the provisions of the act, except that transfers may be made to the General Fund at the direction of the Legislature, and, for the calendar years of 2000 and 2001, two million dollars shall be transferred in each year to the Affordable Housing Trust Fund. All of such money is appropriated and shall be appropriated for such purposes. Any money in the Securities Act Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

**004.01B** Section 76-903 R.R.S., which reads:

The Tax Commissioner shall design such stamps in such denominations as in his or her judgment will be the most advantageous to all persons concerned. When any deed subject to the tax imposed by section 76-901 is offered for recordation, the register of deeds shall ascertain and compute the amount of tax due thereon and shall collect such amount as a prerequisite to acceptance of the deed for recordation. If a dispute shall arise concerning the taxability of the transfer, the register of deeds shall not record the deed until the disputed tax is paid. If a disputed tax has been paid, the taxpayer may file for a refund pursuant to section 76-908. The taxpayer may also seek a declaratory ruling pursuant to rules and regulations adopted and promulgated by the Department of Revenue. From each one dollar and seventy-five cents of tax collected pursuant to section 76-901, the register of deeds shall retain fifty cents to be placed in the county general fund and shall remit the balance to the State Treasurer who shall credit (1) prior to January 1, 1998, one dollar of such amount to the state General Fund and twenty-five cents of such amount to the Homeless Shelter Assistance Trust Fund, (2) on and after January 1, 1998, and prior to January 1, 2003, one dollar of such amount to the Affordable Housing Trust Fund and twenty-five cents of such amount to the Homeless Shelter Assistance Trust Fund, and (3) on and after January 1, 2003, one dollar of such amount to the state General Fund and twenty-five cents of such amount to the Homeless Shelter Assistance Trust Fund.

**004.01C** Section 58-703 R.R.S., which reads:

The Affordable Housing Trust Fund is created. The fund may include revenue from sources recommended by the housing advisory committee established in section 58-704, appropriations from the Legislature, grants, private contributions, repayment of loans, and all other sources, except that before appropriations from the General Fund may be used as a revenue source for the Affordable Housing Trust Fund or for administrative costs of the Department of Economic Development in administering the fund, such use must be specifically authorized by a separate legislative bill passed in a legislative session subsequent to the Ninety-fourth Legislature, Second Session, 1996. Any initial appropriation from the General Fund which is used as a revenue source for the Affordable Housing Trust Fund or for administrative costs shall be in an appropriations bill which does not contain appropriations for other programs. The department as part of its comprehensive housing affordability strategy shall administer the Affordable Housing Trust Fund.

**004.02 Scope**

This chapter is adopted for the purpose of defining and providing for the funding of the Affordable Housing Trust Fund. The Department of Economic Development, through the provisions of this fund, intends to make awards to Eligible Applicants for projects or programs that provide Affordable housing.