

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB842

Hearing Date: Tuesday January 30, 2024
Committee On: Urban Affairs
Introducer: McKinney
One Liner: Change provisions relating to affordable housing under the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Blood, Cavanaugh, J., Day, Hardin, Hunt, Lowe, McKinney
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:
Senator Terrell McKinney
Gwen Easter

Representing:
Opening Presenter
Safe Haven

Opponents:
Ward Hoppe
Don Wesely

Representing:
Self
Lincoln Housing Authority

Neutral:
Wayne Mortensen
Amber Parker

Representing:
Neighborworks Lincoln
self

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 842 aims to achieve the objective of creating more affordable housing in Nebraska by updating the definition of affordable housing.

This involves adjusting the percent cap for the following categories: affordable housing rental units, mixed-income development, persons of eligible income, and mixed-income development.

Section-by-Section Summary:

Section 1 and Section 2 adjust statute numbering.

Section 3 amends 19-5503 by re-defining affordable housing (units with households earning not more than 120% of



the area median income and rental units of no more than 30% of the tenant's annual income) and area median income (to be determined by HUD.)

Section 4 amends 58-701 by allowing section 5 of the act to be known and cited as the Nebraska Affordable Housing Act.

Section 5, for purposes of the Nebraska Affordable Housing Act, defines affordable housing for residential dwelling units and rental units, area median income, low-income, and very low-income.

Section 6 amends 58-706 by addressing what the education programs may include. The bill also adds that projects making reentry or transitional housing more accessible are also eligible for assistance from the Affordable Housing Trust Fund.

Section 7 amends 71-1575 by defining that affordable rental housing units require monthly payments, including utilities, of no more than 30% of the tenants annual income.

The bill also redefines the following definitions:

Mixed-income development caps shall not exceed 140%, the cap originally being 100%.

Persons of eligible income family cap shall not exceed 120%, the cap originally being 80%, of the area median income for families of like size.

Qualifying tenant income cap to 120%, the cap originally being 125%.

The bill also states that any mixed-income development that is constructed or acquired after January 1, 2000 shall not have any person occupying the development with a median income that exceeds 140%, the original cap being 100%.

Section 8 amends 71-15,124 by redefining the following definitions:

Mixed-income development caps shall not exceed 140%, the cap originally being 100%.

Section 9 sets the operative date.

Section 10 repeals the original sections.

Section 11 declares an emergency.

Explanation of amendments:

AM 2778 creates the following changes:

-Section 1, (2)(a)(i): "The home shall have no less than seven hundred square feet of floor area"

-Section 2, (b)(ii): "If no such program is involved, an amount not to exceed one-twelfth of thirty percent of one-hundred and twenty percent of the area median income."

-Section 3, (2)(b): "For rental units, require that monthly rental costs, including tenant-paid utilities, do not exceed the maximum rent limit as allowed under any applicable state or federal income program that is involved, and if none are, then no more than the rent that would result in a household that is at or below 120% of the area median income paying no more than approximately thirty percent of the household's income as defined in 24 C.F.R. 5.609."

-Section 5, (1)(b): "For rental units, require that set monthly rental costs, including tenant-paid utilities, shall not exceed the maximum rent limit as allowed under any applicable state or federal income program that is involved, and if none are, then no more than one twelfth of thirty percent of (i) for moderate income households one hundred and twenty percent of the area median income; (ii) for low income households eighty percent of the area median income;



(iii) for very low-income households fifty percent of the area median income; and (iv) for extremely low income households thirty percent of the area median income."

-Section 5, replacing subsections (3) and (4) with: "The following categories shall be implemented, reflecting the U.S.'s Department of Housing and Urban Development's affordability ranges:

Extremely Low Income- household income does not exceed 30% AMI

Very Low Income- household income does not exceed 50% AMI

Low Income/Affordable- household income does not exceed 80% AMI

Moderate Income- household income does not exceed 120% AMI"

-Section 7, (2)(b): Remove the definition of affordable rental housing from this section.

-Section 8, (1) line 11: "...which exceeds one hundred fifty percent of the median income..."

Terrell McKinney, Chairperson

