

One Hundred Sixth Legislature - Second Session - 2020

Introducer's Statement of Intent

LB773

Chairperson: Senator John Stinner

Committee: Appropriations

Date of Hearing: February 12, 2020

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB773 proposes a one-time transfer of \$10 million from the General Fund to the Rural Workforce Housing Investment Fund, administered by the Department of Economic Development. The Investment Fund was enacted in 2017 through the passage of LB518, which created a rural workforce housing grant program. The program is intended to address the barrier housing shortages in rural communities pose to our ability to deal with a workforce shortage. The grant program received one round of funding through a one-time transfer of \$7 million of unallocated funds from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund.

The response to the grant offering was overwhelming and the fund was quickly exhausted. Grant awards were not fully funded in order to accommodate as many applications as possible, yet there were still communities raising matching funds even though all the money had been awarded. Ultimately the \$7 million in state funds generated another 10 million-plus dollars in matching funds from local governments of communities in which 14 projects were planned. The state and local investment culminated in 572 housing units across the State with a total workforce housing construction cost exceeding \$80 million.

LB773 intends to build upon the overwhelming success of the State's initial \$7 million investment and proposes a second round of grants that would be funded through a one-time \$10 million appropriation. The process has proven to bring communities that are experiencing both housing and workforce shortages into the statewide partnership that is seeking to address a workforce shortage and attract new businesses investment and additional job growth.

Principal Introducer: _____

Senator Matt Williams