

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1073

Introduced by Wayne, 13; DeBoer, 10; Hansen, M., 26; McKinney, 11.

Read first time January 18, 2022

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to state government; to amend sections 58-226,
2 58-241, 58-703, 58-705, 58-708, 58-709, 58-711, 68-1603, 71-15,141,
3 and 81-1281, Reissue Revised Statutes of Nebraska, and sections
4 19-5504, 81-101, 81-102, 81-1228, 81-1233, 81-1237, and 81-1242,
5 Revised Statutes Cumulative Supplement, 2020; to state legislative
6 findings; to create the Department of Housing and Urban Development;
7 to provide duties; to provide for a director and staff; to create
8 the Housing Advisory Commission; to provide for an annual report; to
9 transfer duties, functions, responsibilities, and jurisdiction as
10 prescribed; to provide for an updated housing affordability
11 strategy; to harmonize provisions; to provide a duty for the Revisor
12 of Statutes; to provide an operative date; to repeal the original
13 sections; and to outright repeal section 58-704, Reissue Revised
14 Statutes of Nebraska.
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. The Legislature finds that:

2 (1) Efforts to address issues related to housing in the state are
3 fragmented between multiple state agencies;

4 (2) Both urban and rural communities across the state lack an
5 adequate supply of housing, with an acute lack of affordable housing;

6 (3) The lack of adequate housing supply in the state has created
7 significant challenges and exacerbated existing challenges for Nebraska
8 residents and businesses, including:

9 (a) The cost of purchasing or renting a home outpacing personal
10 income;

11 (b) Many employers being unable to expand their businesses or
12 recruit additional employees due to a lack of available housing; and

13 (c) The increased material costs for new residential construction
14 increasing the cost of housing development, particularly affordable
15 housing development;

16 (4) Every resident of the state should have access to safe, decent,
17 and affordable housing; and

18 (5) Efforts to address issues related to housing in the state should
19 be consolidated into a single state agency which oversees all state
20 housing programs.

21 Sec. 2. The Department of Housing and Urban Development is created
22 as an executive department of state government. The purpose of the
23 department shall be to:

24 (1) Administer programs that provide for the housing needs of all
25 Nebraska residents, with a focus on affordable housing, workforce
26 housing, and missing middle income housing;

27 (2) Contribute to the preservation, development, and redevelopment
28 of neighborhoods and communities in the state;

29 (3) Improve investments in housing by promoting coordination,
30 collaboration, and housing intelligence between federal, state, and local
31 governments;

1 (4) Recommend statutory and policy changes by the Legislature that
2 would improve the development of housing in the state;

3 (5) Provide state oversight of and assistance to housing agencies
4 established under the Nebraska Housing Agency Act; and

5 (6) Serve as the lead state agency for:

6 (a) Addressing the shortage of all types of housing in the state;

7 (b) Addressing the problem of homelessness at the state level; and

8 (c) Coordinating interagency and intergovernmental efforts to
9 address housing shortages, homelessness, and other housing-related issues
10 in the state.

11 Sec. 3. The chief executive officer of the Department of Housing
12 and Urban Development shall be the Director of Housing and Urban
13 Development, who shall be appointed by the Governor subject to
14 confirmation by the Legislature. The director shall administer the
15 affairs of the department and shall serve at the pleasure of the
16 Governor. The director shall have equal rank with the heads of other
17 state departments, and the director's salary shall be fixed by the
18 Governor. The director shall employ a deputy director and assistants,
19 professional staff, and other employees as the director deems necessary
20 to effectively carry out sections 1 to 10 of this act within the
21 appropriations provided by the Legislature.

22 Sec. 4. (1) The Housing Advisory Commission is created. The
23 commission shall advise the Department of Housing and Urban Development
24 on all matters within the department's jurisdiction. The commission shall
25 consist of nine members appointed by the Governor and confirmed by the
26 Legislature. Members of the commission shall include:

27 (a) One member representing homeowners who own their primary
28 residence in the State of Nebraska;

29 (b) One member representing renters who rent their primary residence
30 in the State of Nebraska;

31 (c) One member representing real estate developers;

1 (d) Two members representing homebuilders;

2 (e) Two members representing nonprofit entities, with one member
3 representing nonprofit entities that work in affordable housing
4 construction and one member representing nonprofit entities that work to
5 address homelessness; and

6 (f) Two members representing municipalities, with one member
7 representing a city of the metropolitan class or a city of the primary
8 class, and one member representing a city of the first class, a city of
9 the second class, or a village.

10 (2) Members of the commission shall serve four-year terms. In the
11 event of a vacancy, a successor appointed by the Governor shall serve out
12 the remainder of the unexpired term. Members of the commission shall each
13 receive fifty dollars for each day spent in the performance of their
14 duties and shall receive reimbursement for any expenses as provided in
15 sections 81-1174 to 81-1177. The commission shall meet at least once each
16 calendar quarter at the call of the Director of Housing and Urban
17 Development.

18 Sec. 5. On or before December 1, 2024, and annually by each
19 December 1 thereafter, the Department of Housing and Urban Development,
20 through the Housing Advisory Commission, shall submit a report
21 electronically to the Urban Affairs Committee of the Legislature on the
22 status of the housing in the state. The Urban Affairs Committee of the
23 Legislature may require the Director of Housing and Urban Development or
24 the director's designee to present testimony on the report required under
25 this section at a public hearing following submission of the report by
26 the commission.

27 Sec. 6. (1) The Department of Housing and Urban Development shall
28 develop and implement short-term and long-term strategies for the
29 preservation, development, and redevelopment of housing and for the
30 prevention of homelessness in the state.

31 (2) The Department of Housing and Urban Development shall serve as a

1 clearinghouse for data, information, and material which may be helpful or
2 necessary to the preservation, development, and redevelopment of housing
3 and for the prevention of homelessness in the state.

4 Sec. 7. The Department of Housing and Urban Development shall
5 administer any and all federal funds related to housing and homelessness
6 received by the State of Nebraska. The department shall submit and adopt
7 all necessary plans, enter into contracts, and accept gifts, grants, and
8 other funds necessary to administer such programs as may be required
9 under federal law.

10 Sec. 8. The Department of Housing and Urban Development may adopt
11 and promulgate rules and regulations to carry out sections 1 to 10 of
12 this act. Any rules and regulations adopted and promulgated by another
13 state agency relating to the administration of any program transferred by
14 such agency to the Department of Housing and Urban Development shall
15 continue in force and effect until the Department of Housing and Urban
16 Development adopts and promulgates rules and regulations related to the
17 administration of such program.

18 Sec. 9. (1) On and after the operative date of this act, whenever
19 any other agency of the state is referred to or designated by any
20 contract or other document in connection with the transferred duties and
21 functions of the Department of Housing and Urban Development, such
22 reference or designation shall apply to the Department of Housing and
23 Urban Development. All contracts entered into by such other state
24 agencies prior to the operative date of this act are hereby recognized,
25 with the Department of Housing and Urban Development retaining all rights
26 and obligations under such contracts. Any cash funds, custodial funds,
27 gifts, trusts, grants, and any appropriations of funds from prior fiscal
28 years available to satisfy obligations incurred under such contracts
29 shall be appropriated to the Department of Housing and Urban Development
30 for the payments of such obligations. All documents and records
31 transferred, or copies of the same, may be authenticated or certified by

1 the Department of Housing and Urban Development for all legal purposes.

2 (2) No suit, action, or other proceeding, judicial or
3 administrative, lawfully commenced prior to the operative date of this
4 act, or which could have been commenced prior to such date, by or against
5 the State of Nebraska, or against the director or any employee of any
6 agency thereof in such director's or employee's official capacity or in
7 relation to the discharge of his or her official duties, shall abate by
8 reason of transfer of any duties or jurisdiction to the Department of
9 Housing and Urban Development.

10 (3) On and after the operative date of this act, unless otherwise
11 specified, whenever any provision of law refers to any agency of the
12 state in connection with duties and functions of the Department of
13 Housing and Urban Development, such law shall be construed as referring
14 to the Department of Housing and Urban Development.

15 Sec. 10. It is the intent of the Legislature that housing-related
16 acts and programs administered by other state agencies be transferred to
17 the jurisdiction of the Department of Housing and Urban Development no
18 later than January 1, 2024. The department shall assume responsibility
19 for the powers and duties relating to such acts and programs.

20 Sec. 11. Section 19-5504, Revised Statutes Cumulative Supplement,
21 2020, is amended to read:

22 19-5504 (1) On or before July 1, 2021, and by each July 1 every two
23 years thereafter, each city shall electronically submit a report to the
24 Department of Housing and Urban Development and the Urban Affairs
25 Committee of the Legislature detailing its efforts to address the
26 availability of and incentives for affordable housing through its zoning
27 codes, ordinances, and regulations. Such report shall include, but not be
28 limited to:

29 (a) An overview of the city's current residential zoning
30 requirements;

31 (b) The percentage of areas in the city zoned for residential use

1 which permit the construction of multifamily housing and middle housing;

2 (c) A breakdown of new residential construction in the city over the
3 previous five years, including the percentage of such construction that
4 was single-family housing, multifamily housing, and middle housing;

5 (d) A breakdown of residential units annexed by the city over the
6 previous five years, including the percentage of such units that were
7 single-family housing, multifamily housing, and middle housing;

8 (e) An estimate of the per-unit cost of housing in the city;

9 (f) Whether such zoning codes, ordinances, and regulations provide
10 for density bonuses or other concessions or incentives which encourage
11 residential density, and the frequency with which such bonuses,
12 concessions, or incentives are utilized;

13 (g) Whether such zoning codes, ordinances, and regulations allow the
14 construction of accessory dwelling units;

15 (h) What incentives the city applies to encourage the development of
16 affordable housing, including both direct incentives and regulatory
17 relief;

18 (i) A demographic analysis of the city with trends and estimates of
19 the housing need classified by housing type and price range; and

20 (j) Efforts to adopt an affordable housing action plan as required
21 under section 19-5505.

22 (2) The Urban Affairs Committee of the Legislature may require any
23 city to present its report to the committee at a public hearing.

24 Sec. 12. Section 58-226, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 58-226 (1) There is hereby created a body politic and corporate, not
27 a state agency, but an independent instrumentality exercising essential
28 public functions, to be known as the Nebraska Investment Finance
29 Authority. The authority shall have the powers and duties set forth in
30 the Nebraska Investment Finance Authority Act.

31 (2) The authority shall be composed of ten ~~nine~~ members as follows:

1 (a) The Director of Agriculture, the Director of Economic
2 Development, the Director of Housing and Urban Development, and the
3 chairperson of the Nebraska Investment Council who shall be ex officio
4 members; and

5 (b) Six public members who shall be appointed by the Governor as
6 follows:

7 (i) One member shall be experienced in real estate development;

8 (ii) One member shall be experienced in industrial mortgage credit,
9 commercial credit, agricultural credit, or housing mortgage credit;

10 (iii) One member shall be experienced in banking or investment
11 banking;

12 (iv) One member shall be experienced in home building or shall be a
13 licensed real estate broker;

14 (v) One member shall be experienced in agricultural production; and

15 (vi) One member shall be appointed at large.

16 (3) All members shall be residents of the state. Of the public
17 members, two members shall be appointed from each congressional district.
18 Of the six public members, not more than three shall belong to the same
19 political party. The four ~~three~~ ex officio members may each designate a
20 representative to perform their respective duties under the act. It shall
21 not constitute a conflict of interest for members of the authority to
22 serve on any other public board or commission.

23 Sec. 13. Section 58-241, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 58-241 In exercising any powers granted in the Nebraska Investment
26 Finance Authority Act, the authority shall coordinate its activities with
27 the policy, program, and planning efforts of the state, particularly the
28 Governor's Policy Research Office, ~~and~~ the Department of Economic
29 Development, and the Department of Housing and Urban Development.

30 Sec. 14. Section 58-703, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 58-703 The Affordable Housing Trust Fund is created. The fund shall
2 receive money pursuant to section 76-903 ~~and may include revenue from~~
3 ~~sources recommended by the housing advisory committee established in~~
4 ~~section 58-704~~, appropriations from the Legislature, transfers authorized
5 by the Legislature, grants, private contributions, repayment of loans,
6 and all other sources. The Department of Housing and Urban Economic
7 ~~Development as part of its comprehensive housing affordability strategy~~
8 shall administer the Affordable Housing Trust Fund.

9 Transfers may be made from the Affordable Housing Trust Fund to the
10 General Fund, the Behavioral Health Services Fund, the Lead-Based Paint
11 Hazard Control Cash Fund, the Rural Workforce Housing Investment Fund,
12 and the Site and Building Development Fund at the direction of the
13 Legislature.

14 The State Treasurer shall transfer fifty-eight thousand one hundred
15 eighty-eight dollars from the Affordable Housing Trust Fund to the
16 General Fund on or before September 15, 2019, on such date as directed by
17 the budget administrator of the budget division of the Department of
18 Administrative Services.

19 Sec. 15. Section 58-705, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 58-705 The Department of Housing and Urban Economic Development
22 shall use the Affordable Housing Trust Fund to finance loans, grants,
23 subsidies, credit enhancements, and other financial assistance for
24 community affordable housing projects and for expenses of the department
25 as appropriated by the Legislature for administering the fund.

26 Sec. 16. Section 58-708, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 58-708 (1) During each calendar year in which funds are available
29 from the Affordable Housing Trust Fund for use by the Department of
30 Housing and Urban Economic Development, the department shall make its
31 best efforts to allocate not less than thirty percent of such funds to

1 each congressional district. The department shall announce a grant and
2 loan application period of at least ninety days duration for all
3 projects. In selecting projects to receive trust fund assistance, the
4 department shall develop a qualified allocation plan and give first
5 priority to financially viable projects that serve the lowest income
6 occupants for the longest period of time. The qualified allocation plan
7 shall:

8 (a) Set forth selection criteria to be used to determine housing
9 priorities of the housing trust fund which are appropriate to local
10 conditions, including the community's immediate need for affordable
11 housing, proposed increases in home ownership, private dollars leveraged,
12 level of local government support and participation, and repayment, in
13 part or in whole, of financial assistance awarded by the fund; and

14 (b) Give first priority in allocating trust fund assistance among
15 selected projects to those projects which are located in whole or in part
16 within an enterprise zone designated pursuant to the Enterprise Zone Act
17 or an opportunity zone designated pursuant to the federal Tax Cuts and
18 Jobs Act, Public Law 115-97, serve the lowest income occupant, are
19 located in an area that has been declared an extremely blighted area
20 under section 18-2101.02, and are obligated to serve qualified occupants
21 for the longest period of time.

22 (2) The department shall fund in order of priority as many
23 applications as will utilize available funds less actual administrative
24 costs of the department in administering the program. In administering
25 the program the department may contract for services or directly provide
26 funds to other governmental entities or instrumentalities.

27 (3) The department may recapture any funds which were allocated to a
28 qualified recipient for an eligible project through an award agreement if
29 such funds were not utilized for eligible costs within the time of
30 performance under the agreement and are therefor no longer obligated to
31 the project. The recaptured funds shall be credited to the Affordable

1 Housing Trust Fund.

2 Sec. 17. Section 58-709, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 58-709 The Department of Housing and Urban Economic Development, in
5 consultation with the Nebraska Investment Finance Authority ~~and the~~
6 ~~housing advisory committee established in section 58-704~~, shall adopt and
7 promulgate rules and regulations to carry out the Nebraska Affordable
8 Housing Act. The department shall monitor programs to see that only
9 qualified individuals and families are occupying projects funded by the
10 Affordable Housing Trust Fund.

11 Sec. 18. Section 58-711, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 58-711 (1) The Department of Housing and Urban Economic Development
14 shall submit, as part of the department's annual ~~status~~ report under
15 ~~section 5 of this act 81-1201.11~~, the following information regarding the
16 Affordable Housing Trust Fund: (a) The applications funded during the
17 previous calendar year; (b) the applications funded in previous years;
18 (c) the identity of the organizations receiving funds; (d) the location
19 of each project; (e) the amount of funding provided to each project; (f)
20 the amount of funding leveraged as a result of each project; (g) the
21 number of units of housing created by each project and the occupancy
22 rate; (h) the expected cost of rent or monthly payment of those units;
23 (i) the projected number of new employees and community investment as a
24 result of each project; (j) the amount of revenue deposited into the
25 Affordable Housing Trust Fund pursuant to section 76-903; (k) the total
26 amount of funds for which applications were received during the previous
27 calendar year, the year-end fund balance, and, if all available funds
28 have not been committed, an explanation of the reasons why all such funds
29 have not been so committed; (l) the amount of appropriated funds actually
30 expended ~~by the department~~ for the previous calendar year; (m) the
31 department's current budget for administration of the Nebraska Affordable

1 Housing Act and the department's planned use and distribution of funds,
2 including details on the amount of funds to be expended on projects and
3 the amount of funds to be expended by the department for administrative
4 purposes; and (n) project summaries, including the applicant
5 municipality, project description, grant amount requested, amount and
6 type of matching funds, and reasons for approval or denial for every
7 application seeking funds during the previous calendar year.

8 (2) The ~~status~~ report shall contain no information that is protected
9 by state or federal confidentiality laws.

10 Sec. 19. Section 68-1603, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 68-1603 For purposes of the Homeless Shelter Assistance Trust Fund
13 Act, department shall mean the Department of Housing and Urban
14 Development ~~Health and Human Services~~.

15 Sec. 20. Section 71-15,141, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 71-15,141 (1) Within nine months after the end of each fiscal year,
18 each local housing agency shall prepare a report summarizing such
19 agency's activities for the year then ended. The report shall contain
20 financial statements depicting the financial condition of the agency, its
21 assets and liabilities, including contingent liabilities, and the results
22 of its operations for the year then ended. The report shall be approved
23 by the agency's board of commissioners and signed by its chairperson.

24 (2) The annual report of a local housing agency shall be a public
25 record that is available for inspection and copying by members of the
26 general public at the offices of the local housing agency. A local
27 housing agency shall also file its annual report with the city or county
28 clerk and the Department of Housing and Urban Development promptly upon
29 completion of the report ~~thereof~~. Regional housing agencies shall file
30 annual reports with the appropriate officials of all participating
31 political subdivisions.

1 (3) Any employee or member of the board of commissioners of a local
2 housing agency who approves, signs, or files an annual report of an
3 agency knowing it is materially false or misleading shall be guilty of a
4 Class II misdemeanor.

5 (4) The financial statements contained in annual reports of local
6 housing agencies with gross revenue of two hundred fifty thousand dollars
7 or more shall be audited annually. The financial statements of agencies
8 with gross revenue of less than two hundred fifty thousand dollars shall
9 be audited at least biennially. A copy of each audit report shall be
10 filed with the Auditor of Public Accounts within nine months after the
11 end of each fiscal year in which such agency is required to file an audit
12 report or in which an audit report of such agency is prepared. Each local
13 housing agency audit shall be conducted in accordance with generally
14 accepted accounting principles, except that if the agency is a recipient
15 of federal assistance, the audit shall be conducted in accordance with
16 any accounting principles required by the federal government.

17 Sec. 21. Section 81-101, Revised Statutes Cumulative Supplement,
18 2020, is amended to read:

19 81-101 The civil administration of the laws of the state is vested
20 in the Governor. For the purpose of aiding the Governor in the execution
21 and administration of the laws, the executive and administrative work
22 shall be divided into the following agencies: (1) Department of
23 Agriculture; (2) Department of Labor; (3) Department of Transportation;
24 (4) Department of Natural Resources; (5) Department of Banking and
25 Finance; (6) Department of Insurance; (7) Department of Motor Vehicles;
26 (8) Department of Administrative Services; (9) Department of Economic
27 Development; (10) Department of Correctional Services; (11) Nebraska
28 State Patrol; ~~and~~ (12) Department of Health and Human Services; and (13)
29 Department of Housing and Urban Development.

30 Sec. 22. Section 81-102, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

1 81-102 The Governor shall appoint heads for the various agencies
2 listed in section 81-101, subject to confirmation by a majority vote of
3 the members elected to the Legislature. Such appointments shall be
4 submitted to the Legislature within sixty calendar days following the
5 first Thursday after the first Tuesday in each odd-numbered year. The
6 officers shall be designated as follows: (1) The Director of Agriculture
7 for the Department of Agriculture; (2) the Commissioner of Labor for the
8 Department of Labor; (3) the Director-State Engineer for the Department
9 of Transportation; (4) the Director of Natural Resources for the
10 Department of Natural Resources; (5) the Director of Banking and Finance
11 for the Department of Banking and Finance; (6) the Director of Insurance
12 for the Department of Insurance; (7) the Director of Motor Vehicles for
13 the Department of Motor Vehicles; (8) the Director of Administrative
14 Services for the Department of Administrative Services; (9) the Director
15 of Correctional Services for the Department of Correctional Services;
16 (10) the Director of Economic Development for the Department of Economic
17 Development; (11) the Superintendent of Law Enforcement and Public Safety
18 for the Nebraska State Patrol; (12) the Property Tax Administrator as the
19 chief administrative officer of the property assessment division of the
20 Department of Revenue; ~~and~~ (13) the chief executive officer for the
21 Department of Health and Human Services; and (14) the Director of Housing
22 and Urban Development for the Department of Housing and Urban
23 Development. Whoever shall be so nominated by the Governor and shall fail
24 to receive the number of votes requisite for confirmation, shall not be
25 subject to nomination or appointment for this or any other appointive
26 state office requiring confirmation by the Legislature during the period
27 for which his or her appointment was sought. In case of a vacancy in any
28 of such offices during the recess of the Legislature, the Governor shall
29 make a temporary appointment until the next meeting of the Legislature,
30 when he or she shall nominate some person to fill such office. Any person
31 so nominated who is confirmed by the Legislature, shall hold his or her

1 office during the remainder of the term if a specific term has been
2 provided by law, otherwise during the pleasure of the Governor subject to
3 the provisions of this section; except any such officers may be removed
4 by the Governor pursuant to Article IV of the Constitution of Nebraska.

5 Sec. 23. Section 81-1228, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 81-1228 For purposes of the Rural Workforce Housing Investment Act:

8 (1) Department means the Department of Housing and Urban Economic
9 Development;

10 (2) Director means the Director of Housing and Urban Economic
11 Development;

12 (3) Eligible activities of a nonprofit development organization
13 means:

14 (a) New construction of owner-occupied or rental housing in a
15 community with demonstrated workforce housing needs;

16 (b) Substantial repair or rehabilitation of dilapidated housing
17 stock; or

18 (c) Upper-story housing development;

19 (4) HOME funds means funds awarded as formula grants under the HOME
20 Investment Partnerships Program administered by the United States
21 Department of Housing and Urban Development;

22 (5) Matching funds means dollars contributed by individuals,
23 businesses, foundations, local and regional political subdivisions, or
24 other nonprofit organizations to a workforce housing investment fund
25 administered by a nonprofit development organization;

26 (6) Nonprofit development organization means a regional or statewide
27 nonprofit development organization approved by the director;

28 (7) Qualified activities include, but are not limited to, purchase
29 and rental guarantees, loan guarantees, loan participations, and other
30 credit enhancements or any other form of assistance designed to reduce
31 the cost of workforce housing related to eligible activities of the

1 nonprofit development organization;

2 (8) Qualified investment means a cash investment in a workforce
3 housing investment fund administered by a nonprofit development
4 organization;

5 (9) Rural community means any municipality in a county with a
6 population of fewer than one hundred thousand inhabitants as determined
7 by the most recent federal decennial census;

8 (10) Workforce housing means:

9 (a) Housing that meets the needs of today's working families;

10 (b) Housing that is attractive to new residents considering
11 relocation to a rural community;

12 (c) Owner-occupied housing units that cost not more than two hundred
13 seventy-five thousand dollars to construct or rental housing units that
14 cost not more than two hundred thousand dollars per unit to construct.
15 For purposes of this subdivision (c), housing unit costs shall be updated
16 annually by the department based upon the most recent increase or
17 decrease in the Producer Price Index for all commodities, published by
18 the United States Department of Labor, Bureau of Labor Statistics;

19 (d) Owner-occupied and rental housing units for which the cost to
20 substantially rehabilitate exceeds fifty percent of a unit's assessed
21 value;

22 (e) Upper-story housing; and

23 (f) Housing that does not receive federal or state low-income
24 housing tax credits, community development block grants, HOME funds, or
25 funds from the Affordable Housing Trust Fund; and

26 (11) Workforce housing investment fund means a fund that has been
27 created by a nonprofit development organization and certified by the
28 director to encourage development of workforce housing in rural
29 communities.

30 Sec. 24. Section 81-1233, Revised Statutes Cumulative Supplement,
31 2020, is amended to read:

1 81-1233 (1) As part of the department's annual status report
2 required under section 5 of this act ~~81-1201.11~~, the department shall
3 submit a report to the Legislature and the Governor that includes, but is
4 not necessarily limited to:

5 (a) The number and geographical location of nonprofit development
6 organizations establishing workforce housing investment funds;

7 (b) The number, amount, and type of workforce housing investment
8 funds invested in qualified activities; and

9 (c) The number, geographical location, type, and amount of
10 investments made by each nonprofit development organization.

11 (2) The report to the Legislature shall be submitted electronically.

12 (3) Information received, developed, created, or otherwise
13 maintained by the department in administering and enforcing the Rural
14 Workforce Housing Investment Act, other than information required to be
15 included in the report to be submitted by the department to the Governor
16 and Legislature pursuant to this section, may be deemed confidential by
17 the department and not considered public records subject to disclosure
18 pursuant to sections 84-712 to 84-712.09.

19 Sec. 25. Section 81-1237, Revised Statutes Cumulative Supplement,
20 2020, is amended to read:

21 81-1237 For purposes of the Middle Income Workforce Housing
22 Investment Act:

23 (1) Department means the Department of Housing and Urban Economic
24 Development;

25 (2) Director means the Director of Housing and Urban Economic
26 Development;

27 (3) Eligible activities of a workforce housing investment fund
28 means:

29 (a) New construction of owner-occupied housing in a neighborhood and
30 community with a demonstrated need for housing that is affordable and
31 attractive to first-time homebuyers, middle-income families, and the

1 emerging workforce;

2 (b) Substantial repair or rehabilitation of dilapidated housing
3 stock; or

4 (c) Upper-story housing development for occupation by a homeowner;

5 (4) HOME funds means funds awarded as formula grants under the HOME
6 Investment Partnerships Program administered by the United States
7 Department of Housing and Urban Development;

8 (5) Matching funds means dollars contributed by individuals,
9 businesses, foundations, local and regional political subdivisions, or
10 other nonprofit organizations to a workforce housing investment fund
11 administered by a nonprofit development organization;

12 (6) Nonprofit development organization means a regional or statewide
13 nonprofit development organization approved by the director;

14 (7) Qualified activities include purchase guarantees, loan
15 guarantees, loan participations, and other credit enhancements related to
16 eligible activities of the workforce housing investment fund;

17 (8) Qualified investment means a cash investment in a workforce
18 housing investment fund administered by a nonprofit development
19 organization;

20 (9) Urban community means any area that is:

21 (a) In a county with a population greater than one hundred thousand
22 inhabitants as determined by the most recent federal decennial census;
23 and

24 (b) Within a qualified census tract as described in 26 U.S.C. 42(d)
25 (5)(B), as such section existed on January 1, 2020;

26 (10) Workforce housing means:

27 (a) Owner-occupied housing units that have an after-construction
28 appraised value of at least one hundred twenty-five thousand dollars but
29 not more than two hundred seventy-five thousand dollars. For purposes of
30 this subdivision (a) and subdivision (b) of this subsection, housing unit
31 after-construction appraised value shall be updated annually by the

1 department based upon the most recent increase or decrease in the
2 Producer Price Index for all commodities, published by the United States
3 Department of Labor, Bureau of Labor Statistics;

4 (b) Owner-occupied housing units for which the cost to substantially
5 rehabilitate such units exceeds fifty percent of a unit's before-
6 construction assessed value, and the after-construction appraised value
7 is at least one hundred twenty-five thousand dollars but not more than
8 two hundred seventy-five thousand dollars;

9 (c) Upper-story housing for occupation by a homeowner; and

10 (d) Housing that does not receive federal or state low-income
11 housing tax credits, community development block grants, HOME funds, or
12 funds from the Affordable Housing Trust Fund; and

13 (11) Workforce housing investment fund means a fund that has been
14 created by a nonprofit development organization and certified by the
15 director to encourage development of workforce housing in urban
16 communities.

17 Sec. 26. Section 81-1242, Revised Statutes Cumulative Supplement,
18 2020, is amended to read:

19 81-1242 (1) As part of the department's annual status report
20 required under section 5 of this act ~~81-1201.11~~, the department shall
21 submit a report to the Legislature and the Governor that includes, but is
22 not necessarily limited to:

23 (a) The number and geographical location of workforce housing
24 investment funds;

25 (b) The number, amount, and type of workforce housing investment
26 funds invested in qualified activities; and

27 (c) The number, geographical location, type, and amount of
28 investments made by each nonprofit development organization.

29 (2) The report to the Legislature shall be submitted electronically.

30 (3) Information received, developed, created, or otherwise
31 maintained by the department in administering and enforcing the Middle

1 Income Workforce Housing Investment Act, other than information required
2 to be included in the report to be submitted by the department to the
3 Governor and Legislature pursuant to this section, may be deemed
4 confidential by the department and not considered a public record subject
5 to disclosure pursuant to sections 84-712 to 84-712.09.

6 Sec. 27. Section 81-1281, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 81-1281 (1) The Department of Economic Development shall establish a
9 comprehensive housing affordability strategy. The strategy shall identify
10 needs, consider issues, and make recommendations regarding housing
11 affordability, housing availability, housing accessibility, and housing
12 quality in Nebraska. The department shall submit the strategy to the
13 Governor and the Clerk of the Legislature by October 1, 1991.

14 (2) The Department of Housing and Urban Development shall update the
15 comprehensive housing affordability strategy established pursuant to
16 subsection (1) of this section and submit the updated strategy to the
17 Governor and electronically to the Urban Affairs Committee of the
18 Legislature on or before December 1, 2024 ~~department shall establish a~~
19 ~~housing advisory committee consisting of individuals and representatives~~
20 ~~of groups involved with housing issues in Nebraska to assist with the~~
21 ~~establishment of the strategy. The department shall work with the~~
22 ~~Governor's Policy Research Office, the Department of Health and Human~~
23 ~~Services, the Department of Banking and Finance, the Nebraska Investment~~
24 ~~Finance Authority, and any other public or private agency involved in~~
25 ~~addressing housing needs in Nebraska.~~

26 (3) The strategy shall:

27 (a) Describe the state's estimated housing needs for the ensuing
28 five-year period and the need for assistance for different types of
29 tenure and for different categories of residents such as very-low-income,
30 low-income, and moderate-income persons, the elderly, single persons,
31 large families, residents of nonmetropolitan areas, and other categories

1 determined to be appropriate by the committee;

2 (b) Describe the nature and extent of homelessness in the state,
3 providing an estimate of the special needs of various categories of
4 persons who are homeless or threatened with homelessness and a
5 description of the strategy for (i) helping low-income families avoid
6 homelessness, (ii) addressing the emergency shelter and transitional
7 housing needs of the homeless, including an inventory of facilities and
8 services that meet such needs in Nebraska, and (iii) helping homeless
9 persons make the transition to permanent housing;

10 (c) Describe significant characteristics of the housing market;

11 (d) Explain whether the cost of housing or the incentives to
12 develop, maintain, or improve affordable housing in Nebraska are affected
13 by public policies, including tax policies affecting land and other
14 property, land-use controls, zoning ordinances, building codes, fees and
15 charges, growth limits, and policies that affect the return on
16 residential investment;

17 (e) Explain the institutional structure, including private industry,
18 nonprofit organizations, and public institutions through which the state
19 will carry out the strategy, assessing the strengths and gaps and
20 describing what will be done to overcome any gaps;

21 (f) Describe the means of coordination and cooperation among the
22 units of state and local government in the development and implementation
23 of the strategy;

24 (g) Establish standards and procedures for monitoring housing
25 activities undertaken because of the strategy; and

26 (h) Include any other information on housing in Nebraska deemed
27 relevant by the Department of Housing and Urban Economic ~~Economic~~ Development or
28 the committee.

29 Sec. 28. The Revisor of Statutes shall:

30 (1) Assign sections 1 to 10 of this act to a new article in Chapter
31 81; and

1 (2) Transfer sections 81-1226 to 81-1234, 81-1235 to 81-1243, and
2 81-1281 to an article in Chapter 81.

3 Sec. 29. This act becomes operative on July 1, 2023.

4 Sec. 30. Original sections 58-226, 58-241, 58-703, 58-705, 58-708,
5 58-709, 58-711, 68-1603, 71-15,141, and 81-1281, Reissue Revised Statutes
6 of Nebraska, and sections 19-5504, 81-101, 81-102, 81-1228, 81-1233,
7 81-1237, and 81-1242, Revised Statutes Cumulative Supplement, 2020, are
8 repealed.

9 Sec. 31. The following section is outright repealed: Section
10 58-704, Reissue Revised Statutes of Nebraska.