

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB288

Hearing Date: Tuesday February 04, 2025
Committee On: Urban Affairs
Introducer: Urban Affairs
One Liner: Redefine terms and change provisions relating to grant funding considerations under the Middle Income Workforce Housing Investment Act

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

Vote Results:
Aye: 4 Senators McKinney, Cavanaugh, J., Quick, Rountree
Nay: 3 Senators Andersen, Clouse, Sorrentino
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Terrell McKinney
Buey Ray Tut
Joseph A Higgins

Jewel Rodgers

Katherine Freeto
Tyrone Blair
Carol Bodeen

Opponents:

Neutral:

Tracie McPherson

Representing:

Opening Presenter
Spark CDI
Levi Carter Sherman Neighbor Association;
Advanced Solutions Technologies; The Community
Builders, Inc.
North 24th Street Buisness Improvement District,
Noodle Companies, local developer, Nebraska State
Poet
Spark CDI
Spark CDI
Nebraska Housing Developers Association

Representing:

Representing:

Habitat for Humanity of Omaha

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB288 amends the Middle Income Workforce Housing Investment Act to allow rent-to-own housing to be eligible for grants under the Act, and expands the definition of workforce housing to include housing that costs no more than \$350,000 to construct and eliminate an after-construction appraised value requirement in factoring housing rehabilitation costs.



Explanation of amendments:

The committee considered and adopted a white copy committee amendment (AM 733) which accomplishes the following: Incorporates LB 288 as amended by AM 509, LB 450, LB 626 as amended by AM 679, and LB 292 as amended by AM 257. AM 509 to LB 288 changes provisions related to unit cost considerations, defines and refines terms, clarifies the 10-unit restriction provision, spells out the parameters of the rent-to-own program, and adds language to clarify that the Department of Economic Development may not prohibit grantees from selling housing units not receiving certain federal or state assistance to homebuyers that use homebuyer assistance funds from such federal or other state-funded programs.

LB 450 amends the Property Assessed Clean Energy Act to define "grid resiliency improvement" and include such an improvement as an energy project financed by a clean energy assessment district.

Testifiers on LB450:**Proponents:**

Senator John Fredrickson , Opening Presenter

Chris Peterson, Self

Christy Abraham, League of Nebraska Municipalities

Opponents: None

Neutral: None

Committee vote to attach LB450:

Yes: 6 McKinney, Quick, Andersen, Cavanaugh, J., Clouse, Rountree;

No: 1 Sorrentino;

Absent: 0;

Present Not Voting: 0;

LB 626, as amended by AM 679, amends the Community Development Law to define "affordable housing" and redefine other terms to allow the lack of affordable housing as a condition for the creation of tax increment financing redevelopment projects.

Testifiers on LB626:**Proponents:**

Senator Robert Dover , Opening Presenter

Jake Hoppe, Hoppe Development

Hunter Traynor, Nebraska Chamber of Commerce & Industry, Greater Omaha Chamber, Lincoln Chamber of Commerce

Emma Craig, Nebraska Investment Finance Authority

Carol Bodeen, Nebraska Housing Developers Association, Nebraska Economic Developers Association

Christy Abraham, League of Nebraska Municipalities

Korby Gilbertson, Nebraska Realtors Association, Habitat for Humanity of Omaha, Nebraska State Home Builders Association, Home Builders Association of Lincoln, Metro Omaha Builders Association Coalition

Opponents: None



Neutral: None

Committee vote to attach LB626:

Yes: 6 McKinney, Andersen, Cavanaugh, J., Clouse, Quick, Rountree;

No: 1 Sorrentino;

Absent: 0;

Present Not Voting: 0;

LB 292, as amended by AM 257, provides legislative intent to appropriate \$250,000 from the Middle Income Workforce Housing Investment Fund to provide a grant for conducting a prefabricated housing study. The study shall be provided to the department in an electronic report submitted by April 1, 2026.

Testifiers on LB292:

Proponents:

Senator Terrell McKinney , Opening Presenter

Opponents: None

Neutral: None

Committee vote to attach LB292:

Yes: 4 McKinney, Cavanaugh, J., Quick, Rountree;

No: 3 Andersen, Clouse, Sorrentino;

Absent: 0;

Present Not Voting: 0;

Section-By-Section Summary

Section 1: Amends Section 13-3202 of the Property Assessed Clean Energy Act to restate legislative findings to include grid resiliency improvements. (LB 450)

Section 2: Amends Section 13-3203 to define "grid resiliency improvement" as any acquisition, installation, or modification benefiting property that is designed to anticipate and rapidly recover from major power disruptions. This property includes, but is not limited to, backup power generators, backup power generators powered by renewable energy resources, solar panels with battery storage, and smart grid technology. (LB 450)

Section 3: Amends Section 13-3204 of the Property Assessed Clean Energy Act to include grid resiliency improvements as energy projects. (LB 450)

Section 4: Amends Section 18-2101 to incorporate section 8 of AM 733 into the Community Development Law. (LB 626 as amended by AM 679.)

Section 5: Amends Section 18-2101.02 to harmonize with a change made to section 18-2103 in redefining "redevelopment project." (LB 626 as amended by AM 679.)

Section 6: Amends Section 18-2102 to add a lack of affordable housing to the legislative findings and declarations of



the existence of substandard and blighted areas in cities and villages of this state. (LB 626 as amended by AM 679.)

Section 7: Amends Section 18-2103 to define "affordable housing" under the Community Development Law. Terms redefined under this section include "blighted area," "redevelopment project," and "substandard area." (LB 626 as amended by AM 679.)

Section 8: Creates a new section of law under the Community Development Law. This section provides that for any proposed redevelopment project that includes the division of taxes as provided in section 18-2147 and that is located in an area which has been declared substandard and blighted because less than twenty percent of the housing in the area is affordable housing, the governing body may approve such project if (1) The project includes the construction of residential housing; and (2) The governing body finds that, upon completion of the project, at least thirty percent of the residential housing in such area will be affordable housing. (LB 626 as amended by AM 679)

Section 9: Amends Section 81-1237 of the Middle Income Workforce Housing Investment Act to provide for both owner-occupied and rent-to-own housing under Act. The section defines the terms "homeownership incentive reserve account," "owner," "project reserve account," and "rent-to-own housing, and redefines the terms "eligible activities of a workforce housing investment fund," and "workforce housing." (LB 288 as amended by AM 509)

Section 10: Amends Section 81-1238 to add references to homeownership incentive reserve accounts and purchase option agreements in reducing barriers to owner-occupied housing under the Middle Income Workforce Housing Investment Act. (LB 288 as amended by AM 509)

Section 11: Amends Section 81-1239 to state legislative intent to appropriate \$250,000 from the Middle Income Workforce Housing Investment Fund for the purposes of the grant specified by section 13 of AM 733. (LB 292. AM 257 reduced the appropriation from \$500,000.)

Section 12: Amends Section 81-1240 to require the number of tenants assisted into homeownership as a facet of the annual report each nonprofit development organization is required to submit to the director of the Department of Economic Development to certify meeting requirements of the Middle Income Workforce Housing Investment Act. (LB 288 as amended by AM 509)

Section 13: Creates a new section of law. The section defines prefabricated housing, and requires the Department of Economic Development to award a grant to a qualified applicant to conduct a study regarding prefabricated housing in Nebraska. The applicant must meet certain criteria such as expertise in areas relevant to the study and submit a presentation and report to the department by April 1, 2026.

The study itself must include the following:

- Zoning regulations that impact the location of prefabricated housing;
- State and local regulation of the manufacturing and use of prefabricated housing;
- The infrastructure necessary and available for prefabricated housing;
- The utilities necessary and available for prefabricated housing;
- The capital necessary and available for manufacturing prefabricated housing, site selection for prefabricated housing, and use of prefabricated housing by homeowners;
- The current availability of prefabricated housing and housing units;
- The interested population groups for the purchase or lease of prefabricated housing; and
- Incentives for buyers, renters, manufacturers, and developers of prefabricated housing. (LB 292)

Section 14: Repealer.



Terrell McKinney, Chairperson

