

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1045

Introduced by McKinney, 11; Spivey, 13.

Read first time January 14, 2026

Committee:

- 1 A BILL FOR AN ACT relating to local housing agencies; to adopt the
- 2 Nebraska Public Housing Preservation Trust Act; to provide an
- 3 operative date; and to declare an emergency.
- 4 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 15 of this act shall be known and may be
2 cited as the Nebraska Public Housing Preservation Trust Act.

3 **Sec. 2.** (1) The Legislature finds and declares that:

4 (a) Nebraska's public housing stock faces significant deferred
5 maintenance, environmental hazards, and capital-repair needs that exceed
6 existing federal and local capacity;

7 (b) Traditional federal funding streams, including section 9
8 operating and capital funds, have been insufficient to maintain safe,
9 decent, and sanitary conditions for residents;

10 (c) A new public financing mechanism is needed to preserve
11 affordability, prevent displacement, and modernize aging public housing
12 infrastructure while maintaining public ownership and resident control;
13 and

14 (d) The Nebraska Public Housing Preservation Trust is being created
15 to provide a stable funding model for public housing, ensure long-term
16 public ownership, and guarantee tenant protections while enabling large-
17 scale rehabilitation and modernization in addition to current federal
18 funding.

19 (2) The Legislature further finds and declares that:

20 (a) The assets of the Nebraska Public Housing Preservation Trust
21 constitute public trust property held for essential governmental
22 purposes, including housing stability, public health, and displacement
23 prevention;

24 (b) The restrictions imposed by the Nebraska Public Housing
25 Preservation Trust Act constitute permissible conditions on public
26 property and do not create compensable property interests in favor of
27 private parties; and

28 (c) No action taken pursuant to the act shall be construed as a
29 taking under the Fifth Amendment to the United States Constitution or
30 under Article I, section 21, of the Constitution of Nebraska.

31 **Sec. 3.** For purposes of the Nebraska Public Housing Preservation

1 Trust Act:

2 (1) Board means the board of trustees of the trust;

3 (2) Development means any public housing project owned or operated
4 by a local housing agency;

5 (3) Local housing agency has the same meaning as in section 71-1575;

6 (4) Preservation conversion means a transfer of operational
7 authority and financing structure from section 9 funding to project-based
8 section 8 funding or successor funding streams through the trust;

9 (5) Resident council means a democratically elected council
10 representing residents of a specific development;

11 (6) Section 8 means section 8 of the United States Housing Act of
12 1937, 42 U.S.C. 1437f;

13 (7) Section 9 means section 9 of the United States Housing Act of
14 1937, 42 U.S.C. 1437g; and

15 (8) Trust means the Nebraska Public Housing Preservation Trust
16 created under section 4 of this act.

17 **Sec. 4.** (1) The Nebraska Public Housing Preservation Trust is
18 created as a public corporation and political subdivision of the State of
19 Nebraska. The trust shall serve as a financing and rehabilitation entity
20 and shall oversee major capital improvement projects for developments.

21 (2) The trust shall be governed by a nine-member board of trustees.
22 Members of the board shall be appointed by the Governor and shall
23 include:

24 (a) Three residents of developments;

25 (b) One representative of a neighborhood alliance association;

26 (c) One executive director of a local housing agency;

27 (d) One representative of local housing agency employees;

28 (e) One member with experience in affordable housing finance;

29 (f) One representative of community-based nonprofit organizations;

30 and

31 (g) One representative of municipalities.

1 (3) The term of each member of the board shall be four years, except
2 at initial appointment when the terms shall be staggered so that no more
3 than three members shall have terms that end in any given year.

4 (4) All real property, leasehold interests, revenues, bond proceeds,
5 contract rights, and other assets held by the trust are irrevocably
6 dedicated to public purposes, including the preservation, rehabilitation,
7 and long-term public ownership of public housing for low-income
8 residents.

9 (5) Members of the board shall be deemed fiduciaries and shall owe
10 duties of loyalty, care, and obedience to the public purposes of the
11 trust and to the residents of developments that are subject to the
12 Nebraska Public Housing Preservation Trust Act. In the event of a
13 conflict between financial considerations and the health, safety, or
14 housing stability of residents of such developments, the interests of the
15 residents shall control.

16 (6) In the event the trust is repealed or otherwise ceases to exist,
17 all assets of the trust shall automatically and irrevocably transfer to a
18 successor public entity or resident-controlled public trust with a
19 substantially similar public purpose. Under no circumstances shall trust
20 assets revert to the state, be sold, transferred, or conveyed to a
21 private entity, or be used for non-housing purposes.

22 **Sec. 5.** (1)(a) No later than January 1, 2027, the trust shall enter
23 into an agreement with each local housing agency that wishes to
24 participate in the Nebraska Public Housing Preservation Trust Act. The
25 agreement shall address and clearly define:

26 (i) The specific public housing properties and assets subject to the
27 agreement;

28 (ii) The respective powers of the trust and local housing agency
29 regarding financial decisions, capital improvements, and operational
30 management;

31 (iii) Procedures for coordinated planning and implementation of

1 preservation activities;

2 (iv) Protocols for resident engagement and participation in
3 decision-making;

4 (v) Financial obligations and resource allocation between the
5 parties;

6 (vi) Reporting requirements and information-sharing protocols;

7 (vii) Staffing responsibilities and personnel management; and

8 (viii) Compliance with federal, state, and local laws and
9 regulations.

10 (b) The agreement shall be approved by a majority vote of the
11 trust's board and the governing body of the local housing agency.

12 (c) No agreement shall be valid or enforceable without written
13 certification that residents of the local housing agency's developments
14 have been meaningfully consulted during the development of the agreement.

15 (d) Each agreement shall be filed with the Department of Economic
16 Development within thirty days after its execution.

17 (2) Once an agreement has been signed with a local housing agency
18 under subsection (1) of this section, the trust shall have the power to:

19 (a) Issue bonds to finance the rehabilitation and modernization of
20 the local housing agency's developments;

21 (b) Enter into long-term ground leases of up to ninety-nine years,
22 provided that such leases shall not be transferable or assignable to a
23 private entity and shall retain permanent public ownership of the
24 underlying land and improvements;

25 (c) Apply for and receive federal tenant protection vouchers or
26 successor funding from the United States Department of Housing and Urban
27 Development with respect to the local housing agency's developments; and

28 (d) Require development-level capital improvement plans for the
29 local housing agency's developments, subject to approval by the
30 applicable resident council.

31 **Sec. 6.** The trust shall not:

1 (1) Privatize property management or transfer operations to private
2 corporations without the approval of a majority of the residents of the
3 affected development; or

4 (2) Sell, transfer, or securitize any real property.

5 **Sec. 7.** No development that is subject to an agreement under
6 section 5 of this act and no asset, revenue stream, or contractual
7 interest held by the trust shall be subject to receivership, foreclosure,
8 bankruptcy proceedings, or involuntary transfer. In the event of
9 financial distress with respect to any of the trust's capital improvement
10 projects, the sole remedy available shall be a corrective action plan
11 approved by the board and any affected resident council.

12 **Sec. 8.** (1) The following shall apply to any development that is
13 subject to an agreement under section 5 of this act and that has
14 undergone a preservation conversion:

15 (a) Rent shall be capped at thirty percent of the resident's
16 household income;

17 (b) Residents shall have the right to return to the development if
18 temporary relocation is required for safety or construction;

19 (c) Residents shall only be evicted for just cause, and any
20 residents who are evicted shall have access to expedited grievance
21 procedures; and

22 (d) Residents shall not be subject to income discrimination, lease
23 changes, or service reductions due to the conversion.

24 (2) No contract, bond covenant, or intergovernmental agreement shall
25 be enforceable if it materially impairs the resident protections provided
26 in this section.

27 **Sec. 9.** Any development that is subject to an agreement under
28 section 5 of this act and that has undergone a preservation conversion
29 shall establish a resident council. The resident council shall have the
30 power to:

31 (1) Approve annual capital improvement plans;

- 1 (2) Review maintenance budget allocations;
- 2 (3) Participate in contractor selection;
- 3 (4) Deny private management proposals; and
- 4 (5) Review and approve performance metrics.

5 **Sec. 10.** (1) The trust shall create a website containing the
6 following information with respect to developments that are subject to an
7 agreement under section 5 of this act:

- 8 (a) Work orders;
- 9 (b) Resident complaints and outcomes;
- 10 (c) Construction timelines;
- 11 (d) Capital expenditures;
- 12 (e) Contractor performance;
- 13 (f) Eviction data; and
- 14 (g) Resident satisfaction metrics.

15 (2) The trust shall submit quarterly reports on its activities to
16 the Legislature and to each resident council. The reports submitted to
17 the Legislature shall be submitted electronically.

18 **Sec. 11.** (1) The trust shall adopt local hiring standards that
19 apply to construction projects involving developments that are subject to
20 an agreement under section 5 of this act. Such hiring standards shall
21 require that:

- 22 (a) At least thirty-five percent of the labor hours be performed by
23 public housing residents; and
- 24 (b) An additional thirty percent of the labor hours be performed by
25 businesses located in low-income neighborhoods in the relevant community.

26 (2) Each construction project involving a development that is
27 subject to an agreement under section 5 of this act shall include a
28 community benefits agreement with commitments regarding:

- 29 (a) Job training;
- 30 (b) Youth programs;
- 31 (c) Onsite community services;

- 1 (d) Environmental improvements;
- 2 (e) Use of minority-owned and women-owned businesses; and
- 3 (f) Neighborhood stabilization initiatives.

4 **Sec. 12.** (1) Bonds issued by the trust shall be backed by:

- 5 (a) Project-based federal vouchers;
- 6 (b) Contributions from the municipality or county in which the
- 7 development is located; or
- 8 (c) Funds available in the Public Housing Capital Stabilization
- 9 Fund.

10 (2) The Public Housing Capital Stabilization Fund is created. The

11 fund shall be administered by the trust and shall include money received

12 from private donations and federal grants. Any money in the fund

13 available for investment shall be invested by the state investment

14 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska

15 State Funds Investment Act.

16 (3) Bond proceeds shall be used for capital improvements for

17 developments that are subject to an agreement under section 5 of this

18 act.

19 **Sec. 13.** The trust may undertake the preservation conversion of

20 developments subject to an agreement under section 5 of this act in

21 phases of five thousand units, contingent upon:

- 22 (1) Positive annual evaluations from the Auditor of Public Accounts;
- 23 (2) Stable financial performance;
- 24 (3) No increase in eviction rates;
- 25 (4) Resident satisfaction above a defined threshold set by the
- 26 trust; and
- 27 (5) Compliance with the requirements of section 8 of this act.

28 **Sec. 14.** If the conditions within any development that is subject

29 to an agreement under section 5 of this act pose an imminent threat to

30 the health and safety of the residents of such development, the trust may

31 enter into emergency contracts with contractors to address such

1 conditions without the need to follow the procurement procedures that
2 would otherwise be applicable.

3 **Sec. 15.** Any affected resident council or any group of not fewer
4 than ten affected residents shall have standing to bring an action for
5 injunctive or declaratory relief to enforce the provisions of the
6 Nebraska Public Housing Preservation Trust Act.

7 **Sec. 16.** This act becomes operative on July 1, 2026.

8 **Sec. 17.** Since an emergency exists, this act takes effect when
9 passed and approved according to law.