

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB1045 would create the Nebraska Housing Preservation Trust Act, which would do the following:

- Declares the findings of the Legislature;
- Creates definitions under the act;
- Creates the Nebraska Public Housing Preservation Trust (NPHPT) as a public corporation and political subdivision of the state of Nebraska. Establishes the NPHPT is to serve as a financing and rehabilitation entity and shall oversee major capital improvement projects for development;
- Establishes NPHPT as a nine-member board of trustees with membership to be appointed by the Governor and include the following members:
 - Three residents of developments;
 - One representative of a neighborhood alliance association;
 - One executive director of a local housing agency;
 - One representative of local housing agency employees;
 - One member with experience in affordable housing finance;
 - One representative of community-based nonprofit organization; and
 - One representative of municipalities.
- Establishes the term of each board member as four years, except that at initial appointment when the terms shall be staggered so that no more than three members shall have terms that end in any given year;
- All real property, leasehold interests, revenues, bond proceeds, contract rights, and other assets held by the trust are irrevocably dedicated to public purposes, including the preservation, rehabilitation, and long-term public ownership of public housing for low-income residents;
- Deems members of the board fiduciaries and sets their duties to the NPHPT Act, states that interests of residents are to take precedent in conflicts;
- Would transfer the assets of NPHPT to a successor public entity or resident-controlled public trust with a substantially similar purpose. Under no circumstances shall trust assets revert to the state, be sold, transferred, or conveyed to a private entity, or be used for non-housing purposes;
- Requires NPHPT to enter into an agreement with each local housing agency that wishes to participate in the act no later than January 1, 2027. Sets the contents of the agreements, validation of the agreements, and requires filing of the agreements with the Department of Economic Development within 30 days of execution;
- Creates the following powers for NPHPT following execution of an agreement:
 - Issue bonds;
 - Enter into long-term ground leases of up to ninety-nine years;
 - Apply for and receive federal tenant protection vouchers or successor funding from the United States Department of Housing and Urban Development with respect to local housing agency's developments; and
 - Require development-level capital improvement plans for the local housing agency's developments subject to approval by the applicable resident council.
- Restricts NPHPT from the following:
 - Privatize property management or transfer operations to private corporations without the approval of a majority of the residents of the affected development or sell, transfer, or securitize any real property.
- Restricts developments that are subject to an agreement under the act and no asset, revenue stream, or contractual interest held by the trust shall be subject to receivership, foreclosure, bankruptcy proceedings, or involuntary transfer. In the event of financial distress with respect to any of the trust's capital improvement projects, the sole remedy available shall be a corrective action plan approved by the board and any affected resident council;
- For any development subject to an agreement and that has undergone a preservation conversion:
 - Caps rent at 30% of the resident's household income;
 - Grants a right for residents to return to the development if temporary relocation is required for safety or construction;
 - Restricts eviction of residents only for just cause, and any residents who are evicted shall have access to expedited grievance procedures; and
 - Residents shall not be subject to income discrimination, lease changes, or service reductions due to the conversion.
- No contract, bond covenant, or intergovernmental agreement shall be enforceable if it materially impairs the resident protections provided;

- Requires developments that are subject to agreements under the act and that has undergone a preservation conversion to establish a resident council and establishes the powers of the resident council;
- Requires NPHPT to establish a website, creates requirements for the website;
- Requires NPHPT to adopt local hiring standards, establishes the standards;
- Creates requirements for the bonds issued by NPHPT;
- Creates the Public Housing Capital Stabilization Fund and eligible receipts for the fund;
- Allows for NPHPT to undertake preservation conversion of developments in phases of 5,000 units, creates requirements;
- Allows for emergency contracting conditions for NPHPT;
- Establishes that any affected resident council or any group of not fewer than ten residents shall have standing to bring an action for injunctive or declaratory relief to enforce the provisions of the Nebraska Housing Preservation Trust Act;
- Sets the operative date of the act for July 1, 2026; and
- Declares an emergency.

LB1045 would establish NHPT as a political subdivision of the state, any costs related to its operations would be separate from the state. No fiscal impact to the state.

Technical note: LB1045 would establish the Public Housing Capital Stabilization Fund. Appropriations from this fund could not be made to NHPT as LB1045 does not establish NHPT as a state agency. LB1045 does not specify which agency the Public Housing Capital Stabilization Fund is to be administered by.