

Transcript Prepared by Clerk of the Legislature Transcribers Office

Urban Affairs Committee January 27, 2026

Rough Draft

**McKINNEY:** Good afternoon. Welcome to your Urban Affairs Committee. I am Senator Terrell McKinney. I represent District 11 in the Legislature, and I serve as the chair of the committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be a part of the legislative process and to express your position on proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it's your turn to come forward to testify, give the testifier sheet to the page or the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official record. When you come up to testify please speak clearly into the microphone, tell us your name, and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing the introducer's opening statement, followed by proponents of the bills, then opponents, and, finally, anyone wishing to testify in a neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We'll be using a 5-minute light system for all testifiers. When you begin to testify, your light on the table will be green. When the yellow light comes on, you will have 1 minute remaining, and the red light indicates you need to wrap up your final thoughts and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It is just part of the process that senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the pages. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://nebraskalegislature.gov). Written position letters will be included in the official hearing, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members with us today introduce themselves, starting at my right.

Transcript Prepared by Clerk of the Legislature Transcribers Office

Urban Affairs Committee January 27, 2026

Rough Draft

**SORRENTINO:** Senator Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

**J. CAVANAUGH:** John Cavanaugh, District 9, midtown Omaha.

**CLOUSE:** Stan Clouse, District 37: Kearney, Shelton, and Gibbon in Buffalo County.

**ROUNTREE:** Victor Rountree, western Bellevue, eastern Papillion, and the land between.

**ANDERSEN:** Bob Andersen, District 49, which is northwest Sarpy County and Omaha.

**QUICK:** Dan Quick, District 35, Grand Island.

**McKINNEY:** Thank you. Also assisting the committee today, to my right is our legal counsel Elsa Knight, and to my right committee clerk Sally Schultz. Our pages for the committee today are Thomas, he's a junior at UNL. I think he's a poli sci major. And Kyanne, senior at UNL. She's a sociology major. And with that, we'll begin today's hearing with LB797. Thank you.

**CLOUSE:** Thank you, Senator McKinney. Open up on bill, LB797.

**McKINNEY:** Good afternoon, members of the Urban Affairs Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11. I'm here to present LB797. LB797 increases the minimum bidding amounts requirements for cities of the first class, cities of the second class, and villages to \$90,000. This bill also increases the minimum bidding amount requirements from municipal electric utility contracts depending on the gross annual revenue from retail sales. This bill comes to us from the League of Municipalities. The dollar figure of \$30,000 has been in statute since 2008 when it was increased from \$20,000. League staff, in talks with municipalities around the state, have recommended that this number be increased to \$90,000. Overall, this is a simple bill that'll help our smaller municipalities stay updated with current economic demands. This change in cost will also have no effect on our state budget. It is simply something coming from the municipalities themselves. Thank you for listening. Behind me is representatives from the League and they will be able to answer any questions. Thanks.

**CLOUSE:** Thank you, Senator McKinney. Do you have any questions for Senator McKinney? No. Thank you. Do we have any proponents for LB797?

**LASH CHAFFIN:** Good afternoon. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n, and today I'm representing the League of Nebraska Municipalities. And I want to offer our enthusiastic support for LB797. Without fail-- I've been with the League over 30 years, and without fail when there's a new village attorney, a new city attorney, a new clerk, or new treasurer, the very-- the way we get to know them, their very first question almost always is, how does the bidding process work? They call, and that's their question. And then, interestingly, for statute readers, the, the statutes in ques-- in question today, the word bid or bidding process is not in the title of any-- either of these statutes. So if you're just sort of looking through the statute, you, you have to know that the statutes are there. You can't just find them on your own. So it's, so it's, it's a, it's a difficult process. And they're very, they're very old statutes that, that go back a long ways. But the-- so-- but it used to be-- well, interestingly enough, first contact, the question has changed over time. The question used to be, what is the bidding limit? And keep in mind, this was pre-Internet, pre-cell phones, your car may not even be able to make it to Grand Island some days, things like that. The question now is, we have an opportunity to save money, do we have to bid this? So the question has changed and, particularly, now that the, the Internet has become so prolific, sometimes the, the bidding procedure is actually a hindrance to saving money in many cases. It takes time. It-- it's-- it creates some administrative-- some thresholds. And, and, often, if you can act fast, you can save the political subdivision money. Interestingly, in the-- I noticed they had a-- there was a fiscal note on the bill, so I was curious, so I read it, of course it's a zero, but the, the Fiscal Analyst actually said this bill could result in decreased administrative costs for cities. And I think-- you know, that's the point. I hadn't thought about it in those terms, but that is, I think, the way a lot of the bidding laws now, cities and villages, approach them. It's, it's something they often want to do. But sometimes-- if you're working on a water pump in Nebraska, literally, there are two companies that do it. You know who they are. You-- they-- you, you, you call them up and say what's it going to cost to do this? I'm going to call your, your competitor. You know, adding the layers of, of publication and time doesn't save you any money. It just adds, adds cost. And then, certainly, you know-- and then as far as the threshold, things are expensive now. If, if you wanted to put a barbed wire fence around a well house, that's going to cost you 80 grand. You know, not that long ago, that might have cost you 5 grand. It's-- things got expensive. So, so we're, we're comfortable with these thresholds and we'd, we'd

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

like to see this move forward. The-- you know, bidding is-- cities and villages, they want to save money. And, and I'm not sure that the current bidding law at those thresholds is something that's saving people money. In fact, it might be costing people time and money. And I've got a couple cities, couple cities to come up behind me, they're going to give you their stories on how the bidding laws affect them in, in Grand Island and Geneva. But before that, I would certainly answer any questions.

**CLOUSE:** OK. Do we have any, any questions? Senator Sorrentino.

**SORRENTINO:** Thank you. Just a quick question. How did, how did the League or whoever was helping with the drafting of this legislation arrive at the various numbers, \$90,000, \$250,000? There must have been some science to it, not just picking numbers out of thin air.

**LASH CHAFFIN:** Science might not be the word, but I will tell you the process.

**SORRENTINO:** Discussion?

**LASH CHAFFIN:** It was discussion.

**SORRENTINO:** OK.

**LASH CHAFFIN:** Both of these-- or this measure-- and we also have another, we have another bidding change in another committee, which probably everybody here is unfamiliar with, but those discussions-- we, we have, we have two legislative committees. We have one comprised of cities and villages below 5,000 and we've got one comprised of cities villages above 5,000, and they meet several times during the summer and we go into a great amount of detail discussing issues and bantering back and forth. And, and, literally, the question was, so what is the appropriate number to create some level of, of transparency, yet, yet, not get in the way of, of, of fair procurement practice. And that's where the numbers came in. It was just the, the cities and villages sitting around going, well, we think that would be fair, you know, pipe, this is what it costs. The discussion, and perhaps one of the people following me can-- might even expand a little on it. The discussion was more, what things cost in the year 2000 versus what they cost now, or, or 15 years ago. And, and, and it has greatly outpaced inflation. Then there's a second component to that-- to your question. There's-- embedded in the, in the statute is a second tier of bidding for municipal electric systems. The, the-- in

that case, we tried to-- it's still lower, but we tried to compare it to what the power districts do. What is the smallest rural electric power district? What is their bidding threshold versus the \$30,000? Theirs-- I think, it happened to be \$750,000. So it was not even in the ballpark. So we-- so for the electric systems, because that's sort of their, their peer group in purchasing would be a rural electric, or in the Grand Island or Fremont's case, it'd be NPPD or OPPD. So we sort of asked that question separately. But that's, that's how the numbers were arrived at.

**SORRENTINO:** One last question as, as somebody who responded to a lot of bids in a prior life. If there was a minimum or, excuse me, there was a \$50,000 minimum [INAUDIBLE] on state services, you had a tendency to see bidders all come in at, you know, \$49,995 because they wanted to stay under the where they had to go out and get money. By raising it from 30 to 90, could it potentially cost these municipalities and villages because now everybody's going to come in at 89.5 instead of 29.5? Any opinion on that?

**LASH CHAFFIN:** Oh, oh, yes, yes. Yes, I, I do have-- that's-- I've actually been thinking about that exact thing. And sometimes-- although I think, I think the opposite is going to happen. Because if the threshold's high enough, a lot of municipal projects would fall below the threshold. So if you called around and just got quotes, is what's probably going to happen if it's below the threshold, then that takes away that-- it doesn't that-- false ceiling is not there for the, the vendor to, to play around with. If they know you're-- that you're-- if you know that they're talking to your competitor then your, your-- as opposed to just sort of-- and then, similarly, I think it used to be not that long ago, companies had staff whose job it was to go read the paper every day and see what was, was-- they don't have that staff member anymore. That really doesn't exist so sometimes-- I think it's become fairly common practice, at least at the more sophisticated city level, to call the vendors and say please bid. You know, it used to be, they came to you, now you're going to them. So almost adding the bidding process is just sort of adding an additional layer to, to that procurement, that exact procurement step that you were discussing.

**SORRENTINO:** Thank you.

**CLOUSE:** Any other questions? Senator Andersen.

**ANDERSEN:** Yeah, thank you. Thank you for being here. Thank you, Vice Chair. I was really kind of surprised by some things in this, in this bill. One, I see \$20,000 was the original threshold, and 2008 increasing it to, to \$30,000, right? And then just kind of running down everything, it says, well, taking \$30,000 and adjusting up to \$90,000, that's a pretty-- that's a 300% increase. I mean, that is a significant gain, maybe piggybacking on what Senator Sorrentino discussed. Then the \$90,000 going to 250, and \$100,000 to 300 for something that's a, a project that generates \$10 million in revenue. Doesn't that seem like a really big gain?

**LASH CHAFFIN:** Well, that was-- I think that-- when the discussion, and it was an extensive discussion at our legislative committees, I think, that that was the initial reaction. But then there were discussions of-- municipalities, particularly their utilities, often the parts are very specialized. You know, nobody, nobody else in the, in the, in the state is buying a pump that a municipality would use on one of their water wells. The only people who are buying them are municipalities. And, and those have-- those type of parts-- you look at one of those big bolts on a diesel power plant and that might cost \$25,000. You know, the prices have greatly outplac-- outpaced the cost of money on these specialized items. And, and, and I think that's-- that was the discussion how expensive these items have become and, and hard to find. You're-- you-- they're-- often, you're, you're calling around trying to find somebody who can manufacture the part or knows where it's manufactured. So you're almost, you're almost doing a lot of your procurement process just finding the hard-to-find part, let alone adding an additional 2 to 3 weeks of process, you know, bidding or-- and, and I, and I think one of the testifiers following could expand on this. If you, if you have a part break, you take it to a specialized welding shop, and there's a big one, there's a big one south of Hickman, and they, they deal with diesel generators, they'll, they'll diagnose it and tell, tell you what's wrong with it, then you go bid to get it fixed. At that point, literally, if they don't win the bid, you're going to have to pay to transport it to, to the other, to the other shop. So it's become so specialized that the, the threshold ties-- and those parts are so expensive. That-- that is-- that's how we arrived at the numbers. And, admittedly, the numbers are somewhat arbitrary, but it, it was just a gut reaction on how much the cost of those parts has increased.

**ANDERSEN:** Sure. Yeah, so I'm not necessarily a big fan of sole source contracting and, and that and circumventing a system, I'm a big fan of the competitive GSA type of process, I think that protects the

integrity of the, of the process and ensures fairness in competition. So those three ones that I, I, I said already, the 100 up to 300, but then you guys added some. Like, you've added the one that didn't exist before, it's 500k for something that generates \$20 million, 750k for the one that generates \$30 million, and then \$1 million for something that generates \$75 million. What's the, what's the logic and what's the reasoning behind that? Seems that's a lot of money.

**LASH CHAFFIN:** It is a lot of money, and really those amounts would really only affect Grand Island, Hastings, and Fremont, who own the large power plants, coal-fired power plants. To get to that threshold for those amounts, you'd have to have that type of electric utility. And, and those amounts came-- we were trying to bring them closer to what the, the rural public power districts and the larger public power districts, it'd still be, it would still be below theirs, but closer to those. Because that's kind of-- when they're purchasing parts, that's who they're in competition with, it's NPPD or OPPD. So trying to make it more similar to what their's are. That's where the additional tiers came from. Your, your, your concern is legitimate, although in the year 2026, I think, at all levels of government, bidding is probably one of the least important parts of transparency of the process. Procurement and, and disposition, in general, are issues for all governments that probably need to be revisited in some way. And, and I think-- you know, bidding almost seems-- and I, I don't-- 10 years ago this would not be-- in some ways it almost seems archaic. There's got to be better ways to get the lowest cost for, for a government. And in some, in some ways this, this just seems in the way of doing that. But, you know, the-- but the question of a, a modernized procurement process, that's-- I think that's a legitimate question. It's a big, it's a big undertaking, but certainly I think that's a legitimate concern. But I guess I would just view it in a little broader context.

**ANDERSEN:** OK. In here where it talks about the bid advertising closes out 7 days prior to-- the advertising goes out for the bid only 7 days prior to closing. Is that enough time?

**LASH CHAFFIN:** Well, in, in the old days, yes. Currently, like I said, a lot of vendors don't even look to see if there are bid opportunities out there. And that-- and that's-- the 7 days has been in statute for close to a century, you know. But the-- at one point you had to do it multiple times. But, I mean, it was always the 7 prior. And it, and it, and it becomes a burden sometimes because the-- it's hard to link

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

it with the publication of your local papers, too, which is getting more and more difficult.

**ANDERSEN:** [INAUDIBLE], first time I read the statute, so there's things that are already existing, not being changed--

**LASH CHAFFIN:** Sure.

**ANDERSEN:** --whatever the-- for me, you know, I raised some questions. But thank you, I appreciate your insight.

**LASH CHAFFIN:** Certainly.

**CLOUSE:** Any other questions? I might-- well, it's not really an answer, but it might answer yours through you. OK, so if you're a small utility, and the threshold is a lot smaller, and you have to replace a substation transformer, that could be \$150,000. OK? And there are people that build, rebuild transformers, or people are new. And so as a city, you would want to get pricing on that, but you have-- you want to have the choice on whether you want to have the rebuild or a, a new transformer. Same way if you have a utility-- Senator Quick would know this-- and you have a generator and you need to replace your generator rotor or a high pressure turbine or whatever, there's alternate markets out there. So then you run the risk, do I want to stick with the OEM and the warranty on my turbine and generator and all those things? And those are fairly expensive. So that's kind of what we're driving towards on this. Is that correct?

**LASH CHAFFIN:** Yes, that's a, that's a, that's a really good way of-- actually, to Senator Andersen's point, procurement is not nearly as simple as it was-- what-- my answer to your point, yeah, but as, as it was 30 years ago. Because the policy choice-- the OEM versus a, versus a rebuilt transformer, that, that policy choice is taking place in every electric utility in Nebraska right now. They're, they're having that discussion, you know, and, and there's overlaying, there's overlaying policies behind it. Because, one, there might be a 2-year wait to even get the transformer. The-- so, so some utilities are actually pulling transformers out of existing services and trading, trading them back and forth, finding whether they don't need that size. It's, it's become difficult. But the policy-- yeah, bidding may not get you-- you could probably write a bid specific, but it gets very tricky. You almost-- sometimes, sometimes you put handcuffs on yourself.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**CLOUSE:** And then, then also the municipal, the village board, city council, if, if-- whatever it is, if they don't go out for a public bid, they'll say, did you get bids? What do they look like? And they'll, they'll have to answer to the, to the public for that.

**LASH CHAFFIN:** Yes.

**CLOUSE:** OK. Any other questions? OK, thank you.

**LASH CHAFFIN:** Thank you.

**CLOUSE:** Any other proponents?

**KYLE SVEC:** Hi, I'm Kyle, K-y-l-e, Svec, S-v-e-c. I'm a city administrator in Geneva, Nebraska, second class city in Fillmore County, here as a proponent of moving the-- really the 30 up to 90. The, the deal is it's just hard to get much done for that amount of money anymore. I think as, as previous testifiers have said, times have changed. And not only is routine maintenance projects can get you to \$30,000, I mean, now we're talking about bigger projects, and, quite honestly, there are not many projects that we're not going to end up being-- hitting that threshold of 90 anyway on, on, on any kind of any significance at all. I think the 90 is a fair number. It's a palatable number that still gives everybody a chance to review it and have a say and, yet, also be able to get some stuff done at a municipality. Any class of municipality. It's, it's tough, it's tough these days with the money and the financial to make municipalities work. So there is a component to this that I think can increase costs to municipalities going through these processes at a \$30,000 level. Where, if you raise that up a little bit, I, I think there would be some cost savings in the big picture, too, and still have the accountability that really covers just about anything we do at our level. That's, that's really my spiel. If you have any questions, I'd be glad to take them.

**CLOUSE:** OK. Do we have any, any questions? OK. I do have one. When you look at this, that's primarily for the general improvements, water, sewer, you know. Generally, that's not specialized as electric, right?

**KYLE SVEC:** Right. And, and, and I want to be clear, I cannot speak to the electric. We're a retail customer of NPPD. I think our following speaker will be able to do that, but you're correct.

**CLOUSE:** Yeah. And so that's why you have higher limits if you own your electric utility, because generally the cost offsets the difference.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**KYLE SVEC:** You certainly would be able to capture that. Yes.

**CLOUSE:** OK. Thank you. Any other questions, comments? OK. Thank you.

**KYLE SVEC:** Thank you.

**CLOUSE:** Any other proponents? Sally, we ready? OK. Go ahead.

**RYAN SCHMITZ:** Good afternoon. My name is Ryan Schmitz, R-y-a-n S-c-h-m-i-t-z. I'm the Utilities Director in Grand Island, Nebraska. We operate the second largest municipally owned electric system in the state, and we are the largest of the 116 Nebraska-owned electric utili-- municipal-owned electric utilities in the state of Nebraska that this bill affects. In the last several years, we've had certain power cable and transformer prices increase 250% to 370%, respectively. Along with these material increases, we have witnessed lead times increase from 6 weeks all the way up to over a year. Other items affected include fuel for generators, large pumps and motors, and also software licenses. Most utilities will tell you that their mission statement is to provide safe, reliable, and affordable power. Ours is no different. Reliability and timeliness go hand in hand. A sealed bid process requiring the development of a formal bid, formal bid documents, legal review, advertisement, bid bonds, and council approval can take an excess of a month from start to finish in cases like ours. Alternatively, obtaining multiple quotes directly can abbreviate the process by multiple weeks and let the utility react more dynamically to its needs for items considered regular by industry standards. Another layer to this discussion is the fact that in the power generation and transmission industry, many large vendors see \$120,000 as a small transaction and view the requirement to obtain a necessary bid bond as a nuisance they prefer not to bother with. The threshold for sealed bids in regard to public power districts currently ranges from \$750,000 to \$1.5 million depending on their utility size. Comparatively, in our case, the statute language governing cities and villages ranges from \$30,000 to \$120,000, depending on utility size. Chapter 70, which governs public power districts, was last revised in 2024, whereas the language for cities and villages was last revised in 2008. These discrepancies have created a situation where municipal utilities, such as Grand Island, which runs an annual budget of over \$100 million per year, has over a six times lower threshold for mandating the sealed bid process than some of our rural power counterparts, many of which have revenues [INAUDIBLE] budgets of under \$5 million or less. In an industry where pricing can change quickly, lead times are stretched, and the ability

to maintain reliable service hinges on timely actions, these antiquated purchasing thresholds have put Grand Island at an operational disadvantage compared to our fellow public power districts in the state. I believe the changes noted in this bill will give large municipal utilities, such as Grand Island, equity with our public power district counterparts. I respectfully urge you to advance this bill out of committee. Thank you.

**CLOUSE:** Thank you. All right. Do we have any questions? Senator Quick.

**QUICK:** Yeah, thank you. And thank you for being here, Ryan. For many on this committee, I worked with Ryan at the Grand Island Public Utilities and you do a great job there, so I appreciate all the work you do.

**RYAN SCHMITZ:** Thank you.

**QUICK:** And, you know, I know one of the things that we faced-- you know, a lot of-- there is some work that you can get locally, but most of the stuff that you have to put out for bids for this you can't get Nebraska. So I don't know if you want to talk about maybe some of the bid process and some, maybe some of the other hurdles you face.

**RYAN SCHMITZ:** Yeah. Large vendors, there's a lot of things for reliability purposes. OEM, you need to go that route. And to-- so what it's, what it's pushed for us to do in many cases is utilize emergency procurement actions, getting sole source designations through counsel. Of course, there's an unlimited amount. So you end up playing games, not, it's not games, but for the sake of reliability, because, again, our, our, our, mission statement is safety, reliable, then affordable. In that order. And so to, to maintain that, it's put us in really a pinch. And so like, like Lash alluded to, you could have a pump that takes \$120,000 to get diagnosed and now it's in a shop. So now you've got to send it somewhere else. To, to show you what we're out, so if that pumps down-- yesterday, for instance, in the market on a pump grant, if PGS, our, our main power plant, was in an outage, we would have been out about \$30,000 an hour. So time is money, time is reliability, and that's what we're facing. So, so our cost escalations weren't linear with CPI index, which was also one of the highest since the early '80s. In the last 5 years, our costs have increased beyond that. And then what, what hasn't been mentioned is the lead times that come with that. So now you're battling longer lead times, cost increases. And as we all know, there's discussion on data centers

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

nationally, they are also buying up the same components, which is only putting more pressure on cost and lead times.

**QUICK:** Thank you.

**CLOUSE:** Any other questions? So, essentially, you're, you're not playing games, you're doing work-arounds on something that shouldn't be that onerous.

**RYAN SCHMITZ:** In the, in the name of saving money and creating reliability.

**CLOUSE:** And then, also, would it be true that you generally have a list of two or three suppliers on any [INAUDIBLE] where you can just get an informal quote and they know, it's basically the same project, just different manufacturers, and you kind of know who you're working with?

**RYAN SCHMITZ:** Correct. And in, in cases, you're, you're almost begging them to submit because they don't want to deal with the bid bond requirement if it's at \$200,000, \$300,000. Like, like, there's-- the industry demand is so great right now. They get to pick and choose and they're, and they're going to go with what's most viable for the least amount of time involved. So that puts us at the back of the line.

**CLOUSE:** Thank you. Any other questions? OK. Thank you.

**RYAN SCHMITZ:** Thank you.

**CLOUSE:** Any other proponents? Do you have any opponents? Any in the neutral? OK. Senator McKinney. What do we have online? OK, we have three proponents online, zero opponents, zero neutral, and zero ADA. Senator McKinney.

**McKINNEY:** Thank you, Vice Chair Clouse and members of the committee. And thank you to those who came to testify in support of LB797. I think it's a simple bill to try to assist, you know, smaller municipalities with the bidding process, but also acknowledging, you know, the changes from 2008 to 2026, the world has changed. And a lot of things have changed, so I think, us as a body, we should adjust to those changes to make it so those municipalities are able to still function in an effective way. And with that, I'll take any questions.

**CLOUSE:** OK. Any other questions for Senator McKinney? OK. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** Thank you.

**CLOUSE:** OK, we'll now move on to LB839 while Senator McKinney takes charge.

**ROUNTREE:** Good afternoon, Chair McKinney and members of the Urban Affairs Committee. My name is Victor Rountree, V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which includes the communities of Bellevue and Papillion. Today, I'm here to introduce LB839, which would add a requirement to report the number of multifamily units constructed in accordance with the accessibility standards of the Fair Housing Act. Over the interim, the Urban Affairs Committee held a hearing on my LR86, which studied the current state of affordable, accessible housing. During that hearing, we heard the struggles of individuals with disabilities to find affordable housing that meets their needs. We heard testimony from many stakeholders saying that there is a distinct lack of units that an individual in a wheelchair could access, and if the physical needs were met, then the cost of the homes was often prohibited. The state of Nebraska has an obligation to provide housing that allows people with disabilities to be integrated members of their communities according to the Olmstead decision. As a result of that hearing, I spent the interim working with individuals in the disability community and members of the Olmstead Advisory Committee working on legislation to address the housing needs in our state. LB839 is the first of those efforts you will hear about today. LB839 has a required reporting criteria to the municipal density and missing middle housing act report that cities already submit to the Legislature annually. Under LB839, cities will report on the number of multifamily housing units constructed within city limits since 1991 and how many of those units were built in accordance with the accessibility requirements of the federal Fair Housing Act. The FHA prohibits housing discrimination on the basis of any protected class, including disability, and applies to most family-- multifamily housing built since March 13, 1991. The FHA requires accessible design features like accessible entrances, routes controls, and usable kitchens/baths. While not requiring a percentage of fully accessible units, FHA accessibility standards ensure that all covered new multifamily buildings built after March 13, 1991, have design features ensuring usable access for people with disabilities across units and common spaces. During our hearing on LR86, it was stated multiple times, it is hard to even measure how many units are on the market because there is very little data to compare. By adding this requirement, we ensure that we have accurate information about the needs and communities and will be better able to respond

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

accordingly. I have shared this legislation with the League of Municipalities and believe they plan to testify in neutral with the suggested change to limit the timeline on the bill. I'm willing to limit how far back reports need to go and will continue conversations with all stakeholders to ensure this is workable for the cities as well. I appreciate the committee's attention to this bill and this issue. Our state is facing a housing shortage on all fronts. It is important that as we look to build our future, we build a future for everyone. There are some amazing testifiers behind me who can speak to some of the more technical aspects of the bill. And with that, I am happy to answer any questions you may have or I may defer them to our testifiers. Thank you.

**McKINNEY:** Thank you, Senator Rountree. Is there any questions from the committee? Senator Sorrentino.

**SORRENTINO:** Just one. Thank you, Chairman McKinney. I want to make sure I understand this bill. It, it doesn't appear to make changes specifically going forward, but perhaps the research the records going all the way back to 1991, is that correct?

**ROUNTREE:** That was the implementation, but we are open. I think you will hear some testimonies today that may ask for a shorter period. So we are hoping to adjusting.

**SORRENTINO:** OK, because I just wasn't sure if this was tracked back to 1991.

**ROUNTREE:** And maybe not--

**SORRENTINO:** OK.

**ROUNTREE:** --but there was implementation so you put it down but we are open for getting a good bill for us we can track.

**SORRENTINO:** Thank you.

**ROUNTREE:** Yes, sir, thank you.

**McKINNEY:** Thank you. Senator Andersen.

**ANDERSEN:** Yeah, thank you, Chairman. Thank you, Senator, for being here. Yeah, kind of piggybacking on what Senator Sorrentino said, yeah, the look back is 35 years, and I thought that's kind of interesting, where it's not about the current state of play or the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

current state of availability, it's about what was available 35 years ago. So, look, I, I wasn't really sure about that. One of the things you mentioned in your opening is about housing discrimination. Can you, can you expound on what, what, what you mean by that?

**ROUNTREE:** By housing discrimination, I mean, when we talk about a protected class for our disabled community, that was what our focus was on, really. We have a number of disabled individuals in Nebraska, and the housing hasn't kept up with that need. So not trying to discriminate against them so that they aren't able to attain housing.

**ANDERSEN:** So you believe there is housing discrimination at this point? Is that your view?

**ROUNTREE:** We're just ensuring that the FHA has a prohibitive that we don't encounter it to.

**ANDERSEN:** OK. So not saying there is a problem, just want to make sure you prevent a problem.

**ROUNTREE:** Absolutely. Let's play by the rules.

**ANDERSEN:** OK. One other comment you made was to get an accurate number of what the need is, right? I think that was in your opening comments near at the end. How finding out what disability-equipped housing we had 35 years ago, how does that translate into what the current need is? I mean, I, I see where it would, it would lead you to, like, maybe the last 5 or 10 years of the availability of the housing, but that doesn't speak to the need.

**ROUNTREE:** And I think our testifiers behind me would talk about how many disabled individuals. I do have some things that I'll probably pass out on the next bill that has those numbers and so we can tell how many people we have. What we're trying to get to is how many units that we have available and what we do know is that from what we've tracked and what we know is available, the number of housing is not available for the number of people that have need of the housing.

**ANDERSEN:** OK, so it's actually the availability as opposed to the need.

**ROUNTREE:** And it's, it's both, availability and need.

**ANDERSEN:** OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**ROUNTREE:** So what we're trying to get to is, if we have need of 40,000, 50,000 units, that we have those available. But we'll hear more about that in testimony.

**ANDERSEN:** All right, thank you.

**ROUNTREE:** Thank you.

**McKINNEY:** Thank you. Senator Clouse.

**CLOUSE:** Yes, thank you, Senator McKinney. So do the new building codes, like multi, do they, they include all the criteria, like they have a certain percentage have to be designated for-- with disabilities, housing?

**ROUNTREE:** We'll probably talk about that in the next bill as well.

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you. Other questions from the committee? No. Thank you, Senator Rountree. I'll welcome up the first proponent of LB839.

**KATHY HOELL:** OK, first of all, my name is Kathy Hoell, K-a-t-h-y H-o-e-l-l. And my first comment would be to ask for an ADA accommodation of illuminating the light, and because of my voice impairment, I just need a little bit more time.

**McKINNEY:** For sure.

**KATHY HOELL:** And I would appreciate that, Chairman. Thank you.

**McKINNEY:** No problem.

**KATHY HOELL:** First of all, good afternoon to all the members of the committee. I really want to thank Senator Rountree for introducing LB839. I am currently the cochair of the Olmstead Advisory Committee. And we really appreciate him introducing this because Olmstead is about getting people out of institutions, out of nursing homes that are capable of living in the community who their teams have decided that is the best option for them, and we've got to have someplace for them to go. But we also have to have someplace for people who are already in the community to live. And that is something we don't have. As far as the Homestead Committee goes, this bill gives our committee a snapshot in time of what is available for accessibility. One of the largest issues that the house workgroup, which is one of our

subcommittees, has had difficulty in finding useful data that would allow them to move forward on improving accessible housing stock in Nebraska. We have to know what we start with in order for us to make any changes. Affordability is also an issue for people with disabilities. Combining these numbers in one report will just make it so much easier. One of the things our, our group has talked about is affordability and accessibility. Do they exist for people with disabilities? Right now, I know people in Lincoln who are making below \$15,000 a year and HUD is saying that 30% of your income should be devoted for rent. Well, these people are paying 50% of their income to live in an inaccessible apartment. One, because the accessible is not available. And or two, there is still a waiting list for what few places are available. People with disabilities have been told that they can live in senior housing. Personally, I'm 70, I wouldn't want to live in senior housing. If you're 20, you're not going to want to live with a bunch of old people. But the thing is, you go to these places, and you get told, well, we can put you on a waiting list. But everybody who applies that is over 55 will take priority over you. So I know out in Kearney, they have a lot of difficulty finding housing. There is one place where all people with disabilities seem to live, and that's only because it's the only game in town. And so Omaha is just as bad. And on that note I would respectfully ask the committee to move LB839 to General File and, hopefully, we can get this totally out of the way. Thank you very much for your time. And if you have any questions, I'd be glad to answer them.

**McKINNEY:** Thank you. And are there any questions from the committee? Senator Clouse.

**CLOUSE:** Thank you for being here and braving the cold. When you talk to Kearney, since that's a little close to my heart, would that be the, the Kearney Housing Authority or, or [INAUDIBLE]?

**KATHY HOELL:** It's the Manor, it's a place called the Manor or something--

**CLOUSE:** Yeah, Kearney Manor.

**KATHY HOELL:** --similar to that.

**CLOUSE:** OK.

**KATHY HOELL:** But, yeah, it's, it's a lot of people with disabilities do live there. And what we want is people with disabilities to be

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

integrated into our community, to be able to live with regular people just like anybody else.

**CLOUSE:** Not put them in one location.

**KATHY HOELL:** [INAUDIBLE] on the one place and--

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you. Are there any other questions? No. Thank you for your testimony and thank you for being here.

**KATHY HOELL:** Mm-hmm.

**McKINNEY:** I'll welcome up any other proponents of LB839. Any opponents?

**BLAIR MacDONALD:** Good afternoon, Chairman McKinney, and members of the Urban Affairs Committee. My name is Blair MacDonald, spelled B-l-a-i-r M-a-c-D-o-n-a-l-d, here on behalf of the Greater Nebraska Cities in opposition to LB839, which would create an additional reporting requirement to the Municipal Density and Missing Middle Housing report. The Greater Nebraska Cities is a municipal association representing the cities of Aurora, Gibbon, Grand Island, Hastings, Holdrege, Kearney, Lexington, and Minden. Our cities see substantial difficulty in being able to comply with the provisions of LB839 as written and the level of accuracy and being able to do so. The bill would require the city to go back through city permit records and certificates of occupancy for multifamily housing units constructed with accessibility requirements for the last 35 years. This would be a considerable amount of work and city employees hours to compile. There would also be a question of complete accuracy since some of those records are likely not digitized. In the city of Grand Island alone, they've utilized five different computer software systems since that time. And so not all records are in the same form of files. We do also question just the referencing of 42 U.S. Code, and the definition that would be utilized for multifamily dwelling. If there is a clear definition of what type of multifamily dwelling, it would be easier to understand which types of properties would be captured in this reporting requirement. The multifamily could apply, multifamily could apply to duplex multifamily dwellings or also townhouses, but as it pertains to townhouses the accessibility requirements only apply to units on the first level. If it has a basement or a second floor, it does not need to meet those same accessibility requirements. So

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

confusion over the definition could inhibit compliance as well. But the Greater Nebraska Cities felt the need to just share some of this-- these logistical challenges to the bill as written. And if the bill was amended to be not quite so retroactive or have a shorter look back, it would also be much easier for cities to comply. If you were to make this a requirement starting from the effective date of bill-- of the bill as January 2027, it would be much easier to start tracking this information and reporting this to the Legislature. Even if this-- the look back was a bit shorter, again, with clearer definitions of which types of multifamily dwellings would be included, again, it would be easier for cities to comply. So I appreciate your time and willing to answer any questions you may have.

**McKINNEY:** Thank you, Blair. Are there any questions from the committee? Senator Andersen.

**ANDERSEN:** Thank you, Chair. And thank you for, thank you for being here, Ms. MacDonald. So you, you saw the, the fiscal note from Lincoln--

**BLAIR MacDONALD:** Yes.

**ANDERSEN:** --saying that the impact to update the software was \$5,000. What would you-- you represent Greater Nebraska Cities, you mentioned Grand Island and I don't know if another was Kearney and all of them or--

**BLAIR MacDONALD:** Yeah, all of them, but the-- Grand Island is a city of over 50,000 so they also-- they complete this Municipal Density and Missing Middle Housing report every 2 years.

**ANDERSEN:** OK. Do you have an estimate from that one what the financial impact would be?

**BLAIR MacDONALD:** I don't, but I would not be surprised if it were not dissimilar to the city of Lincoln. And when I did look at that fiscal note, I wasn't sure in reading it exactly if they meant that that would be able to start tracking moving forward or if that would-- that same software would be able to track retroactively going back to 1991 or not.

**ANDERSEN:** Yeah, that's a great point. Yeah, I didn't see that that was clear either. Is there any-- I mean, going forward, is there any appetite to really, you know, share software, like model after-- consider Lincoln the best practice and say, hey, how if we buy a

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

license, what software are you using and, and walk down the path together?

**BLAIR MacDONALD:** That would be a good idea. I would think that the, the, the League of Municipalities might be able to better answer some type of a sharing agreement contract question like that.

**ANDERSEN:** OK.

**BLAIR MacDONALD:** I think they might be following me.

**ANDERSEN:** Thank you.

**McKINNEY:** Thank you. Any other questions? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman. Thanks for being here, Ms. MacDonald. So you said it might be more amenable if it was a shorter look back. Do you have-- like can-- not to put you on the spot, but if you can't right now tell us a suggested look back period, could you come back and give us one?

**BLAIR MacDONALD:** In discussing preparing for this testimony, we did talk about, like, a 5-year look back would be a much more easily defined and able to go back through some permits and to be able to report.

**J. CAVANAUGH:** Thank you.

**McKINNEY:** Thank you. Other questions from the committee? No. Thank you.

**BLAIR MacDONALD:** Thank you.

**McKINNEY:** Other opponents? Anyone here to testify neutral?

**CHRISTY ABRAHAM:** Senator McKinney and members of the Urban Affairs Committee, my name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. I first just want to thank Senator Rountree and his staff for always including us on these bills and being so collaborative with us. We're just so grateful for that. And I, I want to just go off script just a little bit and highlight the background on this report that Senator Rountree is amending. These housing reports are given to the Urban Affairs Committee every odd-numbered year. So thank you, Elsa Knight. She told me exactly where to find them. They're on the legislative website

under the Urban Affairs Committee tab. And so you have reports from '21, '23, and '25. And I, I have all of the 2025 with me. And they're just fascinating. They have all sorts of amazing information about these 11 cities that compile these reports. So it's Lincoln, Omaha, and every city above 20,000. So that's about 11 communities that have to submit these reports. They're going to tell you about their current zoning requirements, the percentage of areas that permit multifamily housing, they're going to talk about ADUs, they're going to talk about density bonuses, all of those things that the municipalities are doing to help affordable housing in their communities. And some of these communities are doing amazing jobs in making strides in making sure that this housing is more affordable and there's more of it in their communities. So in Senator Rountree's bill he is asking for an additional item to be included in these reports and as you've heard it's regarding the accessibility in these multifamily housing units. Like Ms. MacDonald just testified to, we have had some communities reach out to us and say going back to 1991 is going to be a problem. We don't think we can go that far back. I think there is-- we've heard from municipalities that they certainly appreciate wanting to have this information, that it would be useful, they just can't go back 35 years. The League was going to recommend a 3-year look back, but they think most municipalities can probably get that. And I think what we're hearing from our municipalities is they want to provide accurate information for you, for Senator Rountree, for, for everyone who's looking at these reports. They want it to be accurate. 35 years, I think they'd be doing a lot of guessing, which may not be terribly helpful. So we certainly appreciate this committee considering our recommendation to maybe having that look back be a little bit shorter. We obviously are happy to work with Senator Rountree and this committee to put together any kind of amendment that might be helpful. So thank you for your time and I'm happy to answer any questions.

**McKINNEY:** Thank you. Are there any questions from the committee?  
Senator Clouse.

**CLOUSE:** Yes, thank you, Senator McKinney. So the 3-year look back, was that just for those same 11 cities or what was involved?

**CHRISTY ABRAHAM:** Right. So there's-- I know I keep holding this up and I'm not supposed to have-- so I'm not going to hold them up. But, of course, Kearney, Kearney is in that group. They submit a report every year. It's always fascinating. So, no, it's only these 11 municipalities that have to do this report that would add it to their report. So, again, it's those municipalities that are over 20,000 in

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

population. So those are-- we, we consider those our large municipalities.

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you. Other questions? No. Thanks.

**CHRISTY ABRAHAM:** Great. Thank you, Senator McKinney.

**McKINNEY:** No problem. Is there anyone else here testifying neutral? You can start. Sorry.

**DIANNE DeLAIR:** Thank you. Good afternoon, Chairman McKinney and members of the Urban Affairs Committee. My name is Dianne DeLair, that's spelled D-i-a-n-n-e D-e-L-a-i-r, and I'm the Legal Services Director for Disability Rights Nebraska. Disability Rights Nebraska is a private nonprofit organization, and our sole mission is to advocate for and protect the rights of Nebraskans with disabilities. I want to thank Senator Rountree for introducing LB839 as it recognizes the need for housing that is not only affordable, but also accessible to people with disabilities and our aging population. I'd like to talk a little bit about Olmstead that was mentioned today, and, hopefully, if there is time, I'd like to answer Senator Andersen's question about the look back period if that's possible. In 1999, the U.S. Supreme Court issued its landmark decision in *Olmstead v. L.C.*, stating public entities must administer services to individuals with disabilities in the most integrated setting appropriate to the individual's needs. It ruled that unnecessary institutionalization of persons with disabilities is discrimination under Title II of the Americans with Disabilities Act. It required states to eliminate unnecessary segregation of persons with disabilities and to ensure that persons with disabilities receive those services in the most integrated setting. The court also said a state could rely on an Olmstead plan as a defense in a lawsuit. In 2016, the Nebraska Legislature passed LB1033, directing the state of Nebraska to engage in Olmstead planning and implementation, including the establishment of an Olmsted Advisory Committee. Disability Rights Nebraska is a sitting member of the Olmstead Advisory Committee. The work of the committee in the state of Nebraska has recognized the importance of accessible and affordable housing as crucial in realizing a promise of Olmstead and the Americans with Disabilities Act. Nebraska's most recent Olmstead plan recognizing-- recognizes housing is vital for everyone, including those with disabilities. Housing provides the stability needed for all other aspects of life and represents a fundamental choice that persons-- that people deserve

to make for themselves. Without it, people with disabilities face an increased risk of institutionalization or homelessness, which undermines their dignity, independence, and quality of life. Accessible housing includes ensuring that homes meet the needs of people with disabilities. This can include accessible entrances, bathrooms, and other accommodations so people can live safely in their home and their community. In 2020, the Legislature passed the Municipal Density and Missing Middle Housing Act, which requires affordable housing action plans as part of that legislation and reports from certain municipalities, as mentioned by our previous speaker. This legislation requires that plans include, for example, the intentions for construction of affordable housing and how cities plan to use government incentives for that purpose. What this bill is really addressing is, there's been testimony that there is a lack of data about housing. It may be affordable, but we're just not sure of its accessibility. For people with disabilities, the need for housing needs to include accessibility, in addition to affordability. So according to the Nebraska Strategic Housing Framework Report, housing experts state that efforts to improve housing stock should be tailored differently for various areas of Nebraska due to the lack of an obvious and simple statewide solution to the affordable housing crisis. By amending the Municipal Density and Missing Middle Housing Act to include reporting of multifamily housing units that are also accessible will better inform our response to the housing crisis in Nebraska in both large and urban areas. With respect to going back to 1991, the Fair Housing Act requires that anything built, and I'm talking about apartment buildings after 1991, needs to comply with those regulations. So all this bill is asking to do is if there's an apartment building or complex that is still renting out to the public, and it was built after 1991, you can assume, or you should assume, that it does meet the Fair Housing Act. Now, it's a different matter altogether, whether or not that actually occurs, but it's a starting point to collect that data. And it's really important. Accessibility needs to go hand in hand with affordability when we talk about these issues. And this is one way to engage that dialogue and to, you know, help cities plan, and plan for what those gaps and barriers currently are and into the future people with disabilities this impacts, but also our aging population. And we need to have that data. And it's, it's something that cities and municipalities that are subject to this, I think, should be reporting.

**McKINNEY:** Thank you.

**DIANNE DeLAIR:** You're welcome.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** Are there any questions from the committee? Senator Clouse.

**CLOUSE:** Yes, thank you, Senator McKinney. I'm not really sure how to, how to phrase this question, because I was looking up, Kearney Manor is the HUD Kearney Housing Authority. That's what it is in Kearney, but. Do you know the numbers? Because we're talking about the numbers, reports that are available for the communities over 20,000, OK? So I guess the question is, if you have these reporting, what percentage of those disabilities do you think we're covering just with that subset of cities in the state? And the reason I say that is I have a Class I city in Kearney, Class II in Gibbon, and a village in Shelton, and they all have them. So I don't know what percentage by the reporting if you just target those at 20,000 or more, what percentage of, of those with disabilities that would qualify? Do, do you have a feel for that? I, I don't know.

**DIANNE DeLAIR:** Oh, I think that's a good question. As far as the Manor, I'm guessing there might be some federal funding involved in that. And that would actually require a heightened standard of accessibility, which there's another bill that's going to be discussed today. But I'm not sure I fully understand all of your question.

**CLOUSE:** Well, I understand when you get the reports from those communities over 20,000, what's that-- what percentage do you think we're addressing for the number of people with disabilities that would qualify? Are we going to get 80% of them just with those numbers of cities, you know, obviously the larger cities, are we going to have a lot of them still out in smaller communities that don't report that we still have an issue in our smaller communities and within the state?

**DIANNE DeLAIR:** That I don't know. All I know is when we receive reports in our office, someone has a question about accessibility at their apartment complex. What do I do? I go and Google it. When was this apartment complex built? OK, that's a starting point. And, essentially, that's what we're asking to do. It's a very basic, in my mind, and, and, you know, I could be wrong, obviously, but, you know, that's how we begin. You know, our search to say, well, does the Fair Housing Act apply here? Are there other exceptions? So.

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you, Senator Clouse. Thank you. Other questions?  
Senator Cavanaugh.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**J. CAVANAUGH:** Thank you, Chairman. Thanks for being here, for your testimony. One question, so you're testifying neutral, is there anything-- any particular reason why you-- you're testing neutral and not proponent?

**DIANNE DeLAIR:** Yes, we're a private nonprofit and we receive federal funding and so I am not a registered lobbyist, so.

**J. CAVANAUGH:** So you just-- you don't have any problems with the bill, though?

**DIANNE DeLAIR:** Correct.

**J. CAVANAUGH:** OK. And so then second question, you know, we've had this conversation about a shorter look back, so not going back to 1991. Would the-- if, if that's, you know, in terms of the, say, political realities and how the sausage gets made aspect of it, is it worthwhile doing it with just a 5-year look back, or is that data just not enough to be useful?

**DIANNE DeLAIR:** Well, I-- honestly, no, I don't think that's particularly useful. And we're not asking cities to go in and inspect these apartments either. Were they built after 1991, they have to be in compliance with the Fair Housing Act, which there are seven basic areas and that is the data we would like to know. You know, so if this complex, and regardless of what type of funding it is, let's say something is built in 2000, 2005, they have to abide by the Fair Housing Act. So that's what we're asking is in your community how many of these multifamily dwellings exist and when were they built?

**J. CAVANAUGH:** All right, thank you.

**DIANNE DeLAIR:** Yeah.

**McKINNEY:** Thank you. Other questions? No.

**ANDERSEN:** I have one.

**McKINNEY:** Senator Andersen.

**ANDERSEN:** You mentioned the, the Fair Housing Act of 2005, right?

**DIANNE DeLAIR:** Of, of 1991.

**ANDERSEN:** OK. Disregard my question then. I misunderstood.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** Thank you. Thank you. Anyone else here to testify in neutral? No. Senator Rountree.

**ROUNTREE:** Thank you so much, Chairman McKinney, and to our Urban Affairs Committee and to all of our testifiers. We don't come in an adversarial position, so we've been able to listen to all the testimony that's been given today and understand what the need is. Definitions are brought by statute and the need was brought by our disability community, dates, look backs. We are willing to work to see if we can get the best data so that we'll have a good starting point. We might not get from A to Z today, but if we can get the door open, that's what we want to do. So our ears are open. But just to look back, I think Senator Clouse asked about the number of disabilities. For the members that are on this board, I just want to say, in Buffalo County, we have 7,000 members. This is from disability prevalence by a county in Nebraska, 2023. In Buffalo County, at that time, was 7,000, which was about 13.27% people with disabilities percent by county population. Down in Douglas County, 62,000 which is 10.68%, over in Hall County, 8,000, about 12.67%, and over in Sarpy County, 19,000 with about 10.8% disabilities. So we do appreciate every testifier that came in to testify, so we are willing to work to listen and come together again to see, can we get this bill in a position that we can get out of the committee and go forward so that we take care of our disability community. And with that, I'm open to any other questions that you have, finally.

**McKINNEY:** Thank you. Any questions from the committee? No. Thank you.

**ROUNTREE:** OK. All right, thank you so much.

**McKINNEY:** That'll close our hearing on LB839. For the record, online comments, there were four proponents, one opponent, zero neutral, and no ADA testimony. Thank you. And we'll move on to LB840 and wait for Senator Rountree to get ready.

**ROUNTREE:** Good afternoon again, Chair McKinney and members of the Urban Affairs Committee. My name is Victor Rountree, V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which includes the communities of Bellevue and Papillion. Today, I'm here to introduce LB840, which will require new multifamily construction using the Affordable Housing Trust Fund to have at least 20% of their units be accessible for individuals with physical disabilities, and 10% of their units accessible for individuals with visual and auditory disabilities. In the summer, the committee had a hearing regarding my

LR86, which studied the current state of accessible, affordable housing in Nebraska. During that hearing, we had many testifiers discuss the extreme need for accessible housing in the state, while it is hard to say how many affordable accessible units exist in the state, we know that many people with disabilities are unable to find housing that meets their needs. According to the Nebraska Investment Finance Authority, or NIFA, in the last 5 years, the cost of a home has increased 21.25% to \$275,000, meaning that 66% of households in the state are unable to afford the medium home price. The average family would need to make \$30,000 more to afford the average home. One reason homes are so expensive is because there is a deficit of 120,000 housing units in Nebraska. There are currently 855,631 housing units in the state, and over the past 2 years, only 8,000 new units have been added. This constraint on available housing means that an able-bodied individual who can make most housing circumstances work still cannot find a place to live easily. The problem becomes that much harder when you try to find housing that is accessible. Individuals with disabilities have specific needs when it comes to housing that may not be readily available. An individual in a wheelchair needs a ramp or a no-step entrance to their home. An individual with visual impairments may need additional accommodations so they can navigate their home. This is where LB840 comes in to fill the gaps. LB840 will require multifamily housing projects seeking to access funds from the Affordable Housing Trust Fund Act to have at least 20% of dwelling units be accessible for people with mobility impairments and 10% of the dwelling units be accessible for people with hearing or vision impairments. Currently, Section 504 of the Federal Rehabilitation Act of 1973 requires a minimum percentage of units to be accessible. This means for federally assisted housing, 5% of units with a minimum of one must be accessible to people with mobility impairments and 2% of units with the minimum of 1 must be accessible to people with hearing or vision impairments. Also, the programs must provide reasonable accommodations. The policies and services must be nondiscriminatory and common areas must be accessible. The requirements apply to new construction and substantial rehabilitation. Section 504 applies to virtually all HUD-funded housing programs, including public housing. While this seems like a very large jump in percentages, I want to stress the acute need we find ourselves in. According to data gathered in 2023, roughly 12.7% of Nebraskans experience some form of disability. According to the HUD published report, accessibility and housing, findings from the 2019 American Housing Survey, 19% of the 124.1 million households in the U.S. include at least one person who has a mobility-related

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

disability, uses a mobility assistance device, or has difficulty entering their home or assessing using bedrooms, bathrooms, or kitchens, 23.1 million households. About 4 in 10 U.S. households that include a person with accessibility needs do not currently have accessibility features such as ramps, lifts, or bedroom and full bathroom on the entry level. Federal requirements of accessibility apply to virtually all HUD-funded housing programs but no state housing programs in Nebraska impose additional requirements on the building of accessible units. Several other states have enacted statutes that require a percentage of units built with state funding to be accessible for people with disabilities. As the state looks to address rising housing costs and a lack of units, it is important that we do not forget Nebraskans with disabilities. Nebraska has adopted an updated Olmstead plan to address community integration for individuals with disabilities. We have a legal requirement to ensure that there are homes for those with disabilities that allow them to be active members of their communities. I understand that building developers may have concerns about additional requirements on affordable housing projects. I believe we can find a balance that works for developers and keeps the needs of disabled Nebraskans at the forefront. I appreciate your attention to this bill and to this important issue. There are amazing testifiers again behind me who can speak to the need for additional accessible units in Nebraska and what these changes will mean for disabled Nebraskans. And with that committee and Mr. Chair, I will take any questions or defer to the testifiers who will come behind me.

**McKINNEY:** Thank you, Senator Rountree. Any questions from the committee? Senator Andersen.

**ANDERSEN:** Thank you, Chairman. Thank you, Senator Rountree. How'd you come up with the, the 20% and 10%?

**ROUNTREE:** Those are numbers that we generated. You asked one of the other testifiers earlier on another bill, but those are members that we think would meet the need of our disability community in Nebraska but open for flexibility.

**ANDERSEN:** Who's we?

**ROUNTREE:** We-- myself.

**ANDERSEN:** You and your staff--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**ROUNTREE:** Absolutely.

**ANDERSEN:** --came up with the number. OK.

**ROUNTREE:** Absolutely. That's coming in high, make adjustments.

**ANDERSEN:** OK. Let me ask another question. You're a retired Air Force military guy. You know how they have, they have military retirement communities, right? It's where they have disabled and they have a whole village built around military people, right, affordable housing, all that kind of stuff. Instead of doing a peanut butter spread mandate for all, have you thought about maybe taking an approach where you would say, hey, I'm going to find a developer that wants to build ADA-compliant housing? Maybe doing it that way as opposed to forcing everybody to be compliant.

**ROUNTREE:** As I said, Senator Andersen, we are flexible with numbers, and we will work with our disability community and our housing providing community to determine our best way forward.

**ANDERSEN:** [INAUDIBLE]

**ROUNTREE:** That is an option.

**ANDERSEN:** Has anybody done that in the past that you're aware of?

**ROUNTREE:** Pardon?

**ANDERSEN:** Has anybody done that in the past that you're aware of, been successful building a disabled community where everything is built around disabilities and all that stuff? It would seem pretty practical to me, but.

**ROUNTREE:** Well, that's a suggestion. So one that we would take into account.

**ANDERSEN:** Thank you.

**ROUNTREE:** Thank you.

**McKINNEY:** Thank you, Senator Rountree. Senator Clouse.

**CLOUSE:** Yeah, thank you, Senator McKinney. That was kind of my question on the 20%, but I may ask some-- someone else. It seems high to me, but I don't, I don't know. But that was a question I have. But then, when we talk about the, the Affordable Housing Trust Fund and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

the rural workforce housing and the middle income workforce housing or-- what-- what's the status of those funds based on the budget we've seen and in consolidations, do you know, do you have a feel for where that's going?

**ROUNTREE:** I think we're--

**CLOUSE:** I think we're going to hear about it, but I thought maybe you could give me a precursor where, where you think these funds are going.

**ROUNTREE:** I think we have a testifier coming behind us that will really address those issues as far as the funds, but our goal and considering all of those types of funds is to try to get to more disability housing.

**CLOUSE:** OK. Thank you.

**McKINNEY:** Thank you, Senator Clouse. Senator Andersen. Yes.

**ANDERSEN:** Yeah, thank you. Another question. OK, so if we, if we go with the 20 and 10, you have a developer builds a hundred-unit complex, right,--

**ROUNTREE:** OK.

**ANDERSEN:** --so 20 of those have the mobility and 10 of those have the, the hearing and vision, right?

**ROUNTREE:** Mm-hmm.

**ANDERSEN:** OK. Who, who pays the landlord if those go vacant? If, if the disabled people don't come and rent the properties, you've now made them specifically for disabled, who's going to pay the landlord the rent for those units that are going vacant?

**ROUNTREE:** Well, the houses will be available for those members, for the members of our disabled community. And if they don't fill those, then we'll still have other people who will still want those units, possibly. But I don't think--

**ANDERSEN:** So the original plan, right, so, so if they don't get filled the landlord just [INAUDIBLE] off the vacancy and eats the cost.

**ROUNTREE:** Well, it's just like with regular units now that are not filled.

**McKINNEY:** Thank you. Other questions? No. Thank you, Senator Rountree.

**ROUNTREE:** All right, thank you so much.

**McKINNEY:** Welcome up any proponents.

**KATHY HOELL:** Hello again. My name is Kathy Hoell, K-a-t-h-y H-o-e-l-l, and I am going to ask for the same accommodations again. First of all, good afternoon again to all of the committee, and I want to thank Senator Rountree for introducing, introducing this bill. To me, this is a very commonsense piece of legislation and I wholeheartedly support LB840. Currently, whenever federal money is used to build a multifamily unit, they are required to 5% to be accessible. However, this was based on the Rehab Act of 1973, so that number is 50 years old now. When Nebraska money is used, there is no requirement for accessibility. So if somebody uses the Housing Trust Fund or any other thing, they're not required to make anything accessible. According to the CDC in 2024, the disabled community was 28.7% of the citizens in the United States. And I think the numbers that Senator Rountree is suggesting fall in line with this, with this-- with that figure. I think this bill would increase the number of accessible units being built. People with disabilities are the largest minority group in the United States. But we're also the ones that are ignored the most. We're the ones that people want to put away and lock away so, so that we don't, don't-- so they don't have to see us because we bring forth the whole idea of how fragile life is and it's, it's concerning. To answer Senator Andersen's question about putting us all in [INAUDIBLE], one, it's illegal. The federal government is already pushing for integrated housing to have people with disabilities impacting the rest of their community. People can learn from people with-- people with disabilities are probably some of the most innovative. Most-- they've had to find ways to do things and they're really good at it. It's just, it's just not something people know a lot about. But another advantage to having more accessible units, nothing says that a person with a disability has to live there, a person without a disability can move in. A person without a disability can age in place, and as they age they are more likely to get a disability and then they'd be in the ideal place for them. Right now, they estimate one out of every five individuals will become disabled at some point in their lives. So it, it would be a benefit to everybody to have the housing available to people. I urge this

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

committee to pass LB840 onto General File and I would be glad to answer any questions.

**McKINNEY:** Thank you. Are there any questions from the committee? Senator Clouse.

**CLOUSE:** Yes, thank you, Senator McKinney. Thank you again. A question maybe for the contractors or, you know, is it cheaper to build an apartment that's handicapped accessible or more expensive?

**KATHY HOELL:** No. But it's not that significantly more expensive, you're going to be-- OK, we're not asking you to put the grab rails up and all that stuff, what we're asking you to do is to put a little piece of wood behind the sheet rock and allow the, the walls to be reinforced so grab bars could be put in at a later date if they were needed. As I testified during the hearing, I-- my, my disability has changed over the years. It's, it's a, it's a crapshoot where I'm going to be any day of the week. And I live in Papillion so I was-- the house I was living in no longer met my accessibility needs. So, actually, my husband, there's just the two of us, we considered moving into an apartment. We looked all over Omaha, could not find a place that was what is readily accessible, which is to have these things ready to be put in. We ended up-- we, we were like-- we had the resources to build our own home, but that's not the case for most people.

**CLOUSE:** Thank you. I think I remember you telling, telling us that last year that you had built your own home. Thank you.

**McKINNEY:** Thank you. Other questions from the committee? Senator Andersen.

**ANDERSEN:** Thank you, Chairman. And thank you, Ms. Hoell, for being here. In your statement, you said that in the CDC report in 2024, 28.7% of the citizens of the United States report some disability. The disabilities that are reported do they-- because the ones addressed in this bill are vision, hearing, and mobility, do-- does the 28.7% fall into those three categories or is this across the board?

**KATHY HOELL:** That includes everybody, every kind of disability.

**ANDERSEN:** Thank you.

**McKINNEY:** Thank you. Other questions? No. Thank you for your testimony.

**KATHY HOELL:** OK. Thank you very much.

**McKINNEY:** Other proponents?

**ZEKE ROUSE:** Chairperson McKinney and members of the Urban Affairs Committee, good afternoon. My name is Zeke Rouse, Z-e-k-e R-o-u-s-e, and I serve as a Policy Fellow at Spark, a nonprofit organization based in Omaha, focused on revitalizing disinvested neighborhoods through community-centered development. While the roots are in Omaha, our impact is growing statewide and 2026 we'll be hosting three developer academies across Nebraska in Fremont, Norfolk, and Omaha to help train and equip local developers across the state. I also lead Spark's Emerging Developers Action Group, a network of 119 individuals, all of whom are graduates of our Developer Academy, local small-scale developers working to bring high-quality housing and commercial spaces to neighborhoods that have historically lacked investment. Today, we're here to testify in support of LB840 and to suggest a few technical adjustments that could help achieve its goals while keeping projects financially feasible. We strongly support the intent of LB840. It takes an important step towards increasing accessibility in Nebraska's multifamily housing, ensuring that people with mobility, hearing, or vision impairments can find homes that meet their needs. As community developers, we understand firsthand how vital it is that affordable housing also be accessible. And the truth is that we will all need accommodations at some point in our lives. We're all just a broken leg away from a wheelchair. And as we age, mobility, hearing, and vision accommodations become more important to our daily life. However, we also see how quickly costs and complexity can escalate, particularly for small developers or rehabilitation projects in older buildings. For example, many of the emerging developers we work with focus on 5- to 12-unit projects and aging structures where retrofitting accessibility features can be technically and financially challenging. In some cases, adding full mobility accessibility to 20% of units could mean losing multiple units entirely, jeopardizing the financial viability of the project. That's why we respectfully suggest a few modest adjustments to make the bill's implementation more practical without weakening its purpose. One, revise the bill to require 10% mobility and 5% hearing-vision accessibility units. These percentages still move Nebraska meaningfully forward in accessibility while making compliance more achievable for nonprofit and emerging developers. Two, create an exemption for rehabilitation and adaptive reuse projects. Many of Nebraska's affordable housing opportunities lie in restoring older buildings, and it's harder to change the building's footprint in an

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

existing structure. Forcing these projects to meet new construction standards can make them financially or structurally infeasible. A clear exemption for substantial rehabs would preserve critical investments in existing housing stock while focused accessibility mandates on new construction. Finally, we urge lawmakers and department officials implementing these new requirements to work closely with disability advocates and organizations like AARP to define what accessibility means. The voices of those who will be most impacted by these changes are essential to ensure that implementation is successful. Thank you for the opportunity to testify today and for your continued commitment to addressing Nebraska's housing needs.

**McKINNEY:** Thank you. Are there any questions from the committee?  
Senator Andersen.

**ANDERSEN:** Thank you. And I just want to clarify, your recommendation is 10% for mobility and 5% for hearing and vision, is that right?

**ZEKE ROUSE:** That is correct.

**ANDERSEN:** How much-- how many multifamily units do you guys actually produce, sponsor, help build? You know what I mean?

**ZEKE ROUSE:** Yeah, for sure. So we have, since 2020, built 12 projects, 35 units built under construction or approved. That is \$6,977,811 in loans approved. And the total project costs equaling \$11,626,586.

**ANDERSEN:** Impressive. How many of those are ADA compliant?

**ZEKE ROUSE:** I am not sure, but I can find that out for you.

**ANDERSEN:** Thank you.

**McKINNEY:** Thank you. Other questions? Senator Clouse.

**CLOUSE:** Yes, thank you, thank you, Senator McKinney. [INAUDIBLE] question in my mind. If you bake those out, is the construction that much different? In other words, would you just have one area for hearing and visually impaired and another area, area for immobile? And so wouldn't that kind of defeat the purpose, wouldn't you better off just having them blanket and then people can look at their choices?

**ZEKE ROUSE:** You definitely could. And like federal funds under LIHTC already require 5% across the board. We just wanted to follow the senator's recommendations.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**CLOUSE:** Thank you.

**McKINNEY:** Thanks. Other questions? No. Thank you.

**ZEKE ROUSE:** Thank you.

**McKINNEY:** Are there other proponents? Opponents?

**FRED HOPPE:** My name is Fred Hoppe, F-r-e-d H-o-p-p-e. Senator McKinney and members of the committee, I appreciate this issue. We build affordable housing and workforce housing across the state, a, a number of units. Since 1995, I think, is the first year, we've made sure that every one of our projects is fair housing compliant. What that means is that our units are adaptable to confer to, to ADA-quality units. Fair housing requires seven separate activities, accessible-- accessibility throughout the house and predominantly accessibility to the major features in the house, the bedrooms, the baths, the, the accessibility to the, the stool and the shower, and those kinds of things. When, when you build adaptable units, your, your pledge is, a tenant could come in and convert that property to a fully ADA-accessible unit. Now, the difference between building those adaptable units and fully acceptable units is, according to my construction guys this morning, about \$5,000 each. So the-- there's a significance to going fully adaptable from the start versus a, a, a fully accessible to the start as compared to an adaptable unit. We oppose this bill because of the scope, i.e., the number of units that are required, and the, the manner in, in putting in place. For instance, our experience, just so I give it to you, with, with one exception that I'm aware of are handicapped accessible units. We build-- most of our units we build are 5% accessible, 2% sensory accessible. And our experience is, with one exception for sure, that the accessible units are the last lease up. People that are not mobility impaired don't like living in fully accessible units. So they lease up at the latter end of your lease-up period. And it's also our experience that the majority of them, or most of them are not filled by persons with mobility needs. So the, the numbers that are put in place would seem to be excessive for our experience with lease-ups, as well as our experience, you know, with our tenancies. That having been said, the adaptable units, we build all first floor units adaptable. And it would seem maybe a better way to address the issue would be to require landlords to have a reserve for converting adaptable units to accessible units so that you, you wouldn't have to spend-- our conversion is less than \$5,000 a unit, generally, and would allow a broader choice of units to those that are-- that, that need mobility

and accessibility, or sensory accessibility, either one, doesn't matter. It's even, it's even less than \$5,000 to convert a, a sensory accessible unit to sensory accessible. In any case, those are our issues with this. And the-- I'd answer any questions you have. Since the, the Fair Housing Act went in, the majority of units that are built are built to be adaptable. I mean, that's the requirement of the Fair housing Act. Our experience also is we, we rarely get requests for conversions to fully accessible. I can't tell you one, but, you know, my management guys might answer that more. Our usual prone to the adaptability and so forth is people wanting dogs or accessible, whatever they are, animals. Anyway, I'd answer any questions.

**McKINNEY:** Thank you. Are there any questions from the committee?  
Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman. Thanks for being here, Mr. Hoppe. Good to see you. When somebody does move into one of those adaptable units and it costs \$5,000 to make it fully accessible, who bears the \$5,000 cost?

**FRED HOPPE:** Well, under this bill, it'd be the-- whoever's making the housing, building the housing. So it'd be a project cost. It'd be instead of--

**J. CAVANAUGH:** But, currently, who, who bears it? So if you have an adaptable unit and you're leasing it to somebody who says I need it to be fully accessible.

**FRED HOPPE:** The, the-- I think the rule is that the, the person that wants the unit, the, the mobility impaired tenant would carry that cost.

**J. CAVANAUGH:** OK.

**FRED HOPPE:** Now, that-- there is a de minimis rule. I mean, the landlord has a duty to make units adaptable, but they don't have to bear significant cost. So, you know, it depends on what you're asking-- what they're asking you to do.

**J. CAVANAUGH:** OK. There's not standard things that are done for mobility issues versus other issues or--

**FRED HOPPE:** Well, you-- what you'd be doing, you'd be changing the, the fixtures, you, you take a bath-- take out a bathtub and put in a, a roll-in, you'd take your thresholds down to zero, certain things

like that. Taking a threshold down to zero is de minimis. Taking out a bathtub and putting in a, a, a, a wheel-in situation is a little more expensive. That's probably-- you know, that'd cost you probably a thousand bucks.

**J. CAVANAUGH:** OK.

**FRED HOPPE:** You know, \$800 maybe, somewhere in that zone, which is that de minimis? Probably not, not in terms of, you know, allowing a dog, obviously, but, but it's, it's not significant, but one of the things that maybe could be looked at would be a reserve for, you know, having-- projects having a reserve for conversions.

**J. CAVANAUGH:** OK. I got you. Thanks.

**FRED HOPPE:** Huh?

**J. CAVANAUGH:** I was thinking for a second, but I got you. Thank you.

**FRED HOPPE:** OK.

**McKINNEY:** Thanks. Senator Sorrentino.

**SORRENTINO:** Thank you, Chair McKinney. So in a nutshell, you're not opposed to the accessibility.

**FRED HOPPE:** No, no, we're not opposed to housing for anybody.

**SORRENTINO:** It's just percentages.

**FRED HOPPE:** Huh?

**SORRENTINO:** Just the percentages.

**FRED HOPPE:** Pretty much.

**SORRENTINO:** The 20 and 10%, etcetera. OK. Thank you.

**FRED HOPPE:** But we think that's excessive for our experience.

**SORRENTINO:** Thank you.

**McKINNEY:** Thank you. Senator Andersen.

**ANDERSEN:** Thank you, Chair McKinney. Thank you, Mr. Hoppe, for being here. So just kind of want to [INAUDIBLE] with Senator Cavanaugh was

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

talking about. For you to build the convertible units or bound to build them, are about \$5,000 more per unit, right?

**FRED HOPPE:** That's, that's what my guys tell me.

**ANDERSEN:** OK. So then somebody comes and says, I want to build out for mobility compliant. What is the additional-- approximately what's the additional cost for that?

**FRED HOPPE:** For building out?

**ANDERSEN:** For somebody that has mobility issues. [INAUDIBLE]

**FRED HOPPE:** A person-- on the, on the get-go, it would be the additional \$5,000.

**ANDERSEN:** OK, so \$5,000, is the--

**FRED HOPPE:** Is to allow-- there's two concepts that are involved: fully accessible units, ADA compliant, and adaptable units. That adaptable units are the ones referred to, where you put, you put behind the walls at the bath area blocking so you can attach later as an adaptation. You can attach grab bars. Adaptable units have wide enough doorways so that you can move around inside the units. And, and that's not part of the cost of the change.

**ANDERSEN:** So if you--

**FRED HOPPE:** ADA units have front-loaded washer/dryers that have-- they have front, front-faced dials for the, the stoves and different things. They have different-- you might have a different style of faucets so that they're easier to use.

**ANDERSEN:** So if you just had a unit that was convertible and somebody didn't convert it, it would look like every other unit in, in the--

**FRED HOPPE:** Yeah, and it, it would be rented as any other unit.

**ANDERSEN:** OK.

**FRED HOPPE:** So it-- the fully adaptable units, they're just not first off the line for other than people that need them.

**ANDERSEN:** Sure.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**FRED HOPPE:** But it's rare for us to have people that need them come up first and take them.

**ANDERSEN:** Any idea what the percentage is of--

**FRED HOPPE:** Not that, not that we wouldn't enjoy it--

**ANDERSEN:** Sure.

**FRED HOPPE:** --or support it.

**ANDERSEN:** Well, I think it's [INAUDIBLE].

**FRED HOPPE:** It's just-- I'm just giving you our experience.

**ANDERSEN:** OK, so if, if the [INAUDIBLE] for the cost is \$5,000 a unit, and my [INAUDIBLE] about a hundred-unit complex, then you're talking about an additional \$150,000 cost-- \$150,000 bill upfront.

**FRED HOPPE:** Five times 20%, 20 units, so it would be \$100,000.

**ANDERSEN:** 30.

**FRED HOPPE:** Huh?

**ANDERSEN:** There's 20 and 10, so 30 units--

**FRED HOPPE:** Oh, yeah.

**ANDERSEN:** --times \$5,000 each, \$150,000.

**FRED HOPPE:** Yeah, the sensory accessible ones are-- they wouldn't, I don't think, be \$5,000 difference, they'd probably be about three, two maybe.

**ANDERSEN:** OK.

**FRED HOPPE:** Not as much.

**ANDERSEN:** Yeah, we're battling in the state affordable housing, too, right, so.

**FRED HOPPE:** Huh?

**ANDERSEN:** I said we're battling affordable housing in the state as well, so there's a lot of competing interests.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**FRED HOPPE:** Yes, sir, I understand.

**ANDERSEN:** Thank you.

**McKINNEY:** Thank you. Any other questions? Senator Sorrentino.

**SORRENTINO:** Senator McKinney, thank you. So if, if not 20 and 10, based on your experience, which is credible, and if somebody were offering a friendly amendment because they supported the cause but the numbers, what is the right number in your experience?

**FRED HOPPE:** Well, honestly, what I like to see is, we build the majority of our units to the Fair Housing Act, which means that all of the units that are first level and not two levels inside are adaptable. And, and to us, it makes more sense to allow people that need them to make the adaptable changes. They have a broader choice of units because they can choose any unit in the place, not just the, not just the, quote, ADA units. And, and then, you know, I guess we would support, you know, if it's a mandate, a reserve for some commitment to adapt those units for them, because it, it doesn't fix those units permanently as adaptable units, which our rental experiences are not as [INAUDIBLE]. So, I mean, we-- otherwise, the, the-- and those units are-- the national standard is 5%, 2%.

**SORRENTINO:** All right, thank you.

**McKINNEY:** Thank you. Other questions? So on average now, if you build a 150-unit complex, how many of those, how many of those units are ADA accessible or--

**FRED HOPPE:** ADA accessible?

**McKINNEY:** --or not-- well, yeah.

**FRED HOPPE:** 5 and 2, 5% and 2%.

**McKINNEY:** OK.

**FRED HOPPE:** In the projects we do, the majority of them that have federal activity involved, that's-- they're subject to Section 504.

**McKINNEY:** Once you rent one of those out-- or-- is there high turnover?

**FRED HOPPE:** No, there's probably not very high turnover.

**McKINNEY:** OK.

**FRED HOPPE:** I mean, for-- if, if they are rented to somebody that's mobility impaired, I mean, they-- they're not going to move very often because, you know, just not high turnover.

**McKINNEY:** So it wouldn't necessarily-- so if you took it down to, say, a limit of 5, 5%, would it really, would it be cost prohibitive to do that for, for a developer?

**FRED HOPPE:** Cost prohibitive to do what?

**McKINNEY:** As far as setting aside a set number of units for individuals that have disabilities. Over time, will it be cost prohibitive?

**FRED HOPPE:** Well, there, there is no obligation that you rent the units that are accessible to people that are mobility impaired or sensory impaired. Consequently, it, it is often when you're doing a lease-up, you'll lease-up and units get taken in order of what people like. So frequently-- and, and we're in the affordable business, so our rents usually are below market rents in the, the marketplace.

**McKINNEY:** So, so is it fair to say that there are times where you may rent a unit that was designed for somebody with a disability to somebody who's not disabled?

**FRED HOPPE:** I would say that is more often the case than the other way around.

**McKINNEY:** OK.

**FRED HOPPE:** So-- but what I'm also saying is, when you have 100 units and you got-- you're doing your lease-up, you've got 80 units, and maybe you'll have 4 or 5 units that are ADA qualified, 504 units, and they may be taken because they're-- it's at the end of the road, people want to be in our projects because of the price and the, the desirability of the projects, generally, so we might have somebody come in that doesn't need accessibility take an accessible unit anyway because they want to be in the project at the rents we charge.

**McKINNEY:** Right. So would you understand from somebody that, potentially, might have a disability being frustrated with the--

**FRED HOPPE:** I totally understand.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** -with the market saying where those units that were designed for them are being taken by people who don't have them, now they're being stuck in bad situations, potentially.

**FRED HOPPE:** Well, that, that's true, but there would also be-- and generally for us, the opportunity to request an adaptable unit be adapted. So-- and which would generally work, I think. I, I don't know, we haven't--

**McKINNEY:** How common is that?

**FRED HOPPE:** We don't get requests for modification too often.

**McKINNEY:** OK. Thank you.

**FRED HOPPE:** We'd entertain them. That's for sure.

**McKINNEY:** Yep. Thanks.

**FRED HOPPE:** You bet.

**McKINNEY:** Other questions? Nope. Thank you.

**FRED HOPPE:** Yep.

**McKINNEY:** Other opponents?

**CAROL BODEEN:** Good afternoon, Chairperson McKinney and members of the Urban Affairs Committee. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n. I'm the Director of Policy and Outreach for the Nebraska Housing Developers Association. We are a statewide organization with over 70 members from across all areas of Nebraska. Our members include nonprofit and for-profit affordable housing developers and various other organizations united in support of our mission to champion affordable housing in Nebraska. I come before you today in very respectful opposition to LB840. I have the utmost respect and admiration for Senator Rountree and his efforts to increase successful housing for Nebraska residents with disabilities. Please know that we completely support the intention of this legislation, but oppose the bill as it is currently written. I've met with Senator Rountree and his staff and we've discussed the details of the bill and are committed to continue working together on the issue. A couple of things that we have talked about-- and I'm glad that I followed Fred because he's one of our members and has probably answered a lot of the questions or brought up a lot of the points when it comes to the work

of our developers. One of the things that I wanted to point out is there was some wording in the bill that I believe could be construed to include a project of multi-- multiple single-family dwellings that be-- are being developed for home buyers. This is really a primary use of the Affordable Housing Trust Fund. So it should be clarified that the bill would be applied to a structure, to a structure which contains five or more units and is a rental project. Most multifamily projects being developed include the Affordable Housing Trust Fund, along with HUD-funding sources, as Fred was referring to, which do require, then, a percentage of accessible and adaptable housing units. Also, when NIFA is awarding the LIHTC projects, there is additional application points for having 10%. One thing I wanted to point out, too, for perspective: right now, the maximum amount of a grant under the Affordable Housing Trust Fund is \$750,000. So if that is being used for a multifamily rental project, that's going to be just a piece of the project, like I was talking about. If it's a stand-alone project, it's more than likely going to be a community building, a community development organization building, say, five homes to be sold to low to moderate income or a first time home buyer. And so the way the bill that would be written, then you would basically have to have one of those five homes be handicapped accessible. We also feel that new construction is most likely built in a way that is most easily adaptable for accessibility as we've talked about. However, older structures often offer more challenges. So one of the things we would like to see is funds being made available to assist homeowners and renters to make their homes accessible. Preserving existing homes and allowing people to age in place deserves a priority in this conversation. At one point in the past, there was a set-aside amount under the affordable housing trust fund for a program called Making Homes Accessible, and our organization was actually the, the organization that administered that. That program went away over the years, but we still get requests because it was still out there for people wondering if there are funds available to make their home accessible. And so when we've talked in our office, we would like to see money or funds like that maybe become available again. I also was intrigued by Fred's having a reserve amount available for conversion of units. The bottom line is that Senator Rountree is a senator who advocates for residents of his district and for all Nebraskans to have opportunities to improve their health and well-being. We look forward to working with him on not only this bill, but future legislation as well. And I'm happy to answer any questions.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** Thank you. Any questions from the committee? Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman. Thanks for being here, Ms. Bodeen.

**CAROL BODEEN:** Yes.

**J. CAVANAUGH:** Good to see you. OK, so you said there was some problem that could be misinterpreted. Could you-- I've put the bill in front of me--

**CAROL BODEEN:** Yes.

**J. CAVANAUGH:** --it's pretty short.

**CAROL BODEEN:** Yep, yep. I was looking at Section 2(b) where it says, "Multifamily housing project means a project involving the construction of one or more residential structures that, as a whole, contain five or more dwelling units." Just didn't know if that language could maybe be a little bit misconstrued.

**J. CAVANAUGH:** And so--

**CAROL BODEEN:** So I was looking at it if it were to be reworded: a project involving the construction of a structure which contains five or more units.

**J. CAVANAUGH:** So what are some of the types of units we're talking about? So are we talking about an apartment building that would have five or more units versus a row of townhouses or what's--

**CAROL BODEEN:** Well, and that, that's what I think could be misconstrued in that language, so I guess it would depend on what, what the intention would be of wanting to, but I think it could potentially be applied that way, just the way that it's written right now.

**J. CAVANAUGH:** And do you happen to have any idea-- so Mr. Hoppe said that their average is 5% and 2%. Does that sound consistent? Do you have any other data on that of what [INAUDIBLE]?

**CAROL BODEEN:** No, that's what we would, that's what we would support as well.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**J. CAVANAUGH:** Do you have any idea why there's-- I mean, the bill is brought because there's folks who are saying there's not enough availability for people, but so why is there a gap between the people saying we can't find units and then the folks who make the units saying we don't have consumers for those units?

**CAROL BODEEN:** I think that-- I think affordability, I think location maybe of units just not matching where the person wants to live. And then, oftentimes, people, many people with a disability are extremely low income. And so even a project available for, you know, a low-income or low-to-moderate income may not be able to meet that affordability requirement.

**J. CAVANAUGH:** OK. Thanks.

**CAROL BODEEN:** So.

**McKINNEY:** Thank you. Other questions? No. Thank you.

**CAROL BODEEN:** OK. Thank you.

**McKINNEY:** Other opponents? Anyone here to testify neutral?

**DIANNE DeLAIR:** Good afternoon, Chairman McKinney and members of the Urban Affairs Committee. My name is Dianne DeLair, I'm the Legal Services Director for Disability Rights Nebraska. My name is spelled D-i-a-n-n-e D-e-L-a-i-r. As I stated earlier, Disability Rights Nebraska, we're a private nonprofit organization with our sole mission being to advocate for people with disabilities all across Nebraska. I also want to thank Senator Rountree for introducing this bill. Housing and affordability and accessibility, those are all very complex issues. And I think just by the testimony heard today, you know, we understand that. So, generally speaking, the Fair Housing Act will impact-- cover dwelling units that were built after 1991. So as stated earlier by Mr. Hoppe, those units have seven core requirements for accessibility and that's a great thing. And those are things we don't even think about today, wider doorways, more room in our bathrooms. And that is the adaptability piece. Also the reinforced walls for grab bars to be put in at a later time. But the problem is that while these units might be adaptable, which is a very good thing, the onus is on the individual renting the unit to pay for those adaptations. And at Disability Rights Nebraska, we get calls all the time, you know, I need to make accommodations, my landlord will allow me to do it, but I have to pay for these substantial costs, and that's really the problem

that we're experiencing. And so by implicating the Nebraska Affordable Housing Trust Fund, we're implicating public dollars and we're not suggesting that, OK, if you're going to wholly fund a private apartment building, you know, these federal laws don't attach at that point. But here we are, these are Nebraska tax dollars. There are federal dollars as well. And we're asking that if you plan to fund your project using those dollars that a certain percentage of those be accessible. Now, the requirements for federally funded projects and state-- some state-funded projects do require that 5% accessibility for mobility and 2% for sensory disabilities. And so when we're talking, let's say sensory disabilities, we're talking about flashing smoke alarms or video screens and these are not high-impact dollar types of accommodations that are made, we're talking about wider doorways, a, a, a greater turning radius and ones-- in a bathroom, reachability-- you know if you are using a wheelchair making sure that the controls are easily grabbed onto by using levers instead of knobs, things like that. And so while 20% may be, you know, high, as mentioned earlier, for example, the low-income housing tax credit, while not required, does incentivize using the accessibility, the federal uniform accessibility standards, giving points if you meet the 10% accessibility requirement. So it's not unprecedented for state and local governments and states to increase the requirements on those types of accessibility features. And I think why apartments may not get requests from tenants, you know, for those types of modifications to the unit is that they are solely required to foot that bill. And so this bill is suggesting that if we're using tax dollars to fund programs that we do it on the front end. And I'll take any questions.

**McKINNEY:** Thank you. Any questions from the committee? I have one. Well, I'll let Senator Cavanaugh go first. Sorry.

**J. CAVANAUGH:** Thank you, Chairman. Thanks for being here again. So there's been kind of a lot of different moving parts here. Did you say that if they use the state funds, they're not held to the same standard as the federal requirements or every-- everything's held to the same standard?

**DIANNE DeLAIR:** So-- and this is where it gets complicated, so you could have one, you know, development project where you've got the Fair Housing Act, that's going to apply, generally speaking, and then the requirements of 504, which is the Uniform Federal Accessibility Standards, and then also the ADA would come into play with certain programs or developments that are using state dollars. But, regardless, with the ADA, you're going to have requirements that your

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

common areas are accessible under Title II and III, like your leasing office or accessible entrances and, and ramps, things of that nature.

**J. CAVANAUGH:** So-- and we've heard you-- I mean, I think you made a good point about the accessible versus-- [INAUDIBLE].

**DIANNE DeLAIR:** Adaptable.

**J. CAVANAUGH:** Yeah. So is there, like, maybe a logic to saying make it all adaptable and then when somebody comes that the cost of adaptation is not borne by the tenant, but it's borne by the lessor or whoever is-- whoever got the, the state funding.

**DIANNE DeLAIR:** Yeah, that-- there can be an argument for that and there are some programs that are out there for extremely low income that helps with a portion of that, but that's a, a fiscal note that's going to cost money and why not address the need so that those needs can be filled immediately. Those need to be immediately accessible as to-- as opposed to being adaptable. And, you know, people being able to stay in their homes longer as we age, whether you have a disability or not, in the long run, that's a cost savings. We're not putting people into institutions or nursing homes. Quality of life is better. And it's, it's really the right thing to do. So that would be the argument for doing it on the front end. But I think enhancing programs that do provide funding for accommodations to certain units is a great idea. There's also an education piece needed. As you can tell by today, I mean, we have a lot of different moving parts and laws that are affected. And so also educating people what their rights are to request as far as accommodations based on their disability.

**J. CAVANAUGH:** Thank you.

**McKINNEY:** Thank you. I guess my question kind of goes back to what I asked Mr. Hoppe. If we do have units that were developed for individuals with disabilities being taken by people who are not disabled, how do we address that in an effective way?

**DIANNE DeLAIR:** So there actually are requirements under 504 that would address your concern, Chair McKinney. There needs to be policies and procedures in place so that people with mobility disabilities would have access to those units. You need to have some sort of policy. So if someone's on a waiting list for that unit, then it becomes available that should go to the individual with a disability. And I can provide more information about that, but with respect to 504 and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

federal funding, there-- especially in the context of HUD funding, there are requirements concerning them.

**McKINNEY:** OK. Because I ask that, because is-- what-- am I wrong to assume that there are a number of people with disabilities who can't find housing?

**DIANNE DeLAIR:** That's correct, it's-- you know, where do you-- how do you go about looking, do you, you know, contact different complexes? I know that NIFA, John Turner is here, they are creating a program or software that tracks what units are accessible within different complexes. So there are different tools, you know, in the toolkit that, that could help that, but it's certainly an issue.

**McKINNEY:** All right. Thank you. And I would love to see that information.

**DIANNE DeLAIR:** Yes, I will provide that.

**McKINNEY:** Thanks. Any other questions from the committee? No. Thank you.

**DIANNE DeLAIR:** Thank you.

**McKINNEY:** Other neutral testimony? No. Senator Rountree.

**ROUNTREE:** Chair McKinney and members of our Urban Affairs Committee, thank you so much for hosting this hearing on LB840. And thank you to each one of our testifiers that came and testified proponent, opponent, and in the neutral. I think we made a lot of good progress here. We've got a lot of good questions answered. And we went with the 20%, 10%, but also offer an opportunity for reductions and negotiation on that. So as we close out this particular bill, I want to just kind of set up a meeting with each one of us today together so we can make any modifications needed that's going to meet the needs of our disability community as well as our members who are providing the houses and homes for our members and get a good bill across that we can move forward out of the committee. So thank you so much.

**McKINNEY:** No problem. Thank you. Any questions from the committee? No. Thank you.

**ROUNTREE:** Yeah. Thank you.

**McKINNEY:** That'll close our hearing on LB840. For the record, online comments, there were five proponents, one opponent, zero neutral, and no ADA testimony. And now we'll move on to LB842. Senator Rountree.

**ROUNTREE:** Good afternoon, Chair McKinney and members of the Urban Affairs Committee. My name is Victor Rountree, V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which includes the communities of Bellevue and Papillion. Today, I'm here to introduce LB842, which will allow cities to contract out their parking services. I'm here before you today to present on LB842, a concise, commonsense piece of legislation that provides a needed addendum to statutory regulations in our state concerning the ability of municipalities to contract for parking operations. Specifically, this bill would grant statutory authority to cities of the first class, cities of second class, and villages to enter contracts for parking operations including enforcement services. I introduce this bill at the request of the United Cities of Sarpy County. As state law currently stands, only cities of the primary class and cities of the metropolitan class have been granted explicit statutory authority to enter into contracts for parking operations, including enforcement services with relevant private entities. The only two cities in our state that fall into these classes are Lincoln and Omaha, respectively. All other Nebraska cities and communities like this explicit statutory authority. If enacted, this legislation would give cities the flexibility to relieve police departments of the responsibility of parking enforcement if they choose to contract. By contracting with private entities for parking enforcement, municipal law enforcement can direct even more of their attention and capacity to their primary responsibility, which is keeping their communities safe. The small but impactful update to state law containing LB842 clearly contributes to the fulfillment of our collective responsibility as state legislators to improve the efficiency of government and the safety of communities throughout Nebraska. I appreciate your time and attention and now welcome any questions that you may have pertaining to LB842 or to the testifiers that may come behind me.

**McKINNEY:** Thank you, Senator Rountree. Any questions from the committee? No. Thank you. I welcome up any proponents.

**BRENNEN MILLER:** Good afternoon, Senators. Good afternoon, Chair McKinney. My name is Brennen Miller, B-r-e-n-n-e-n M-i-l-l-e-r, and I'm appearing before you on behalf of our client, the United Cities of Sarpy County. Mayor Kindig was here, as you may have noticed in the, in the chair over there, but he had to leave to Omaha to get to an

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

appointment. He sends his deep regrets that he's not testifying. I know you'd rather hear from him than me, but here we are. We're hoping that this is one of the more simple bills that you hear this year, as very aptly put, by Senator Rountree. And thank you for his introduction of this, this piece of legislation. As our communities grow and we have larger events, larger parking facilities, just more area to cover, it is on our police to monitor those areas for parking infringement. This would simply open up state regulation to allowing us to contract, as Lincoln and Omaha do, for parking enforcement. I think of things like Papillion Days, around the Astro Theater in La Vista, those areas where you have large-scale events, but also safety concerns, I think everyone would agree that it's more important for our police forces to be watching, protecting our citizens than making sure that Brennen Miller doesn't park over the lines, which I frequently do and have the tickets to prove it. So with that, happy to answer any questions, and thank you for your time.

**McKINNEY:** Thank you. Any questions? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairman McKinney. To be clear, this legislative bill doesn't run to the actual ownership of any facility, correct?

**BRENNEN MILLER:** Correct.

**SORRENTINO:** My-- me as a private citizen, I'll say I can go ahead and build a parking facility.

**BRENNEN MILLER:** Correct. Just, just city owned.

**SORRENTINO:** Pardon me?

**BRENNEN MILLER:** Just city owned.

**SORRENTINO:** Just city owned.

**BRENNEN MILLER:** Yep.

**SORRENTINO:** OK, so--

**BRENNEN MILLER:** So Senator Sorrentino's parking deluxe garage.

**SORRENTINO:** Right. That's-- and I don't have-- this bill has no effect on that.

**BRENNEN MILLER:** Correct.

**SORRENTINO:** Thank you.

**McKINNEY:** Thanks. Any other questions? Senator Andersen.

**ANDERSEN:** Yeah, thank you, Chair. And thanks for being here. Is there an expectation it'll increase the, the cost of parking to be able to fund the contractor services?

**BRENNEN MILLER:** Yeah, I had that conversation with Senator Kindig out in the hallway before he left. It-- trying to figure out any-- I'll take it a little step further, if you don't mind, savings. The question would come down to what are the costs that an RFP would put forward. So what then the cost would be to make up for that service would kind of have to be a question, what those contractors come back proposing us for a cost. I don't think any city right now wants to make parking necessarily more expensive, probably keep up with costs, but no city wants to make parking a, a roadblock to coming to municipal events.

**ANDERSEN:** So does that-- so right now it's done by the police, is that right?

**BRENNEN MILLER:** Mm-hmm. Correct.

**ANDERSEN:** So does that mean that if this goes through and you contract with a third party that you're going to reduce the number of police officers you have on staff?

**BRENNEN MILLER:** I would hope, I would hope, Senator, that those police would be utilized as far as safety instead of looking at parking.

**ANDERSEN:** Thanks.

**McKINNEY:** Thanks. Other questions? No. Thank you.

**BRENNEN MILLER:** Thank you, Senator.

**McKINNEY:** Next proponent.

**LYNN REX:** Senator McKinney, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. We're here today in support of this measure. We really appreciate Senator Rountree introducing it. And, as you know, Nebraska

is a Dillon's Rule state, so municipalities only have that authority which the Legislature grants them, either expressly implied or that which is necessary to effectuate corporate powers. So that said, when you look at this, Omaha and Lincoln have the express authority. These other classes of cities do not. And we have 526 municipalities in the state of Nebraska, and only 2 have this authority. So this would basically grant this to the other municipalities. We think this is a bill for efficiency, and I just can't underscore enough the fact that we think the police officer's time is better spent doing other things. And so we think it would be reducing cost, Senator, not adding to it. So with that, we would really appreciate this bill. We'd hope that, respectfully, it could be incorporated into a committee bill that might get advanced, unless you're going to have a consent calendar. So with that, really appreciate your consideration today. And I'm happy to answer any questions that you might have.

**McKINNEY:** Thank you. Any questions from the committee? No. Thank you.

**LYNN REX:** Thank you for your consideration. Thank you.

**McKINNEY:** No problem. Other proponents? Any opponents? Anyone here to testify neutral? Senator Rountree, you're welcome to close. And for the record, for LB842, there were zero proponents, one opponent, zero neutral, and no ADA testimony online.

**ROUNTREE:** Thank you so much, Chair McKinney, and thank you to all testifiers today in every capacity. I think this is a, a good commonsense bill and I respectfully ask the committee to advance it forward. Thank you.

**McKINNEY:** Thanks. Any questions from the committee? No. Thank you, Senator Rountree.

**ROUNTREE:** Thank you so much.

**McKINNEY:** Then we'll move on to LB850, Senator Cavanaugh.

**J. CAVANAUGH:** Good afternoon, Chairman McKinney and fellow members of the Urban Affairs Committee. My name is Senator John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h, and I represent the 9th Legislative District in midtown Omaha. I'm here to introduce LB850, a very simple, necessary change to the Local Option Municipal Economic Development Act, commonly referred to LB840-- not to be confused with the other LB840 we heard today, this is a much older one-- that would allow cities of the primary metropolitan class, such as Lincoln and Omaha,

to use local economic development funds for the construction or rehabilitation of housing for persons of low or moderate income as part of a workforce housing plan or as part an affordable housing action plan. While neither Omaha nor Lincoln have established LB840 programs, allowing the potential of these funds to be used for affordable housing as they are in every other city in the state can give these cities more tools and strategies to address the shortage of affordable housing. Crucially, this bill would carry no cost to the state and any cost to taxpayers at the local level would be subject to voter approval. As we all work to tackle the challenges of providing affordable housing in our communities, LB850 provides one of many possible solutions that on its own may be small, may be small, but in combination with other policies can result in big results. As I mentioned, other cities in Nebraska already are able to use funds for housing. One example I heard recently that prompted me to look into how we could do something similar for Omaha was the city of Blair who uses some LB840 funds to reimburse sales tax on building materials used for workforce housing. It's a drop in the bucket cost for developers, but every little bit of cost savings can help. I want to give Omaha and Lincoln the opportunity to use local revenue to invest in affordable housing, the same way that other communities across our state are able to do right now. Thank you to the committee for your time and I'd ask you to advance LB850 and I'm happy to answer any questions.

**McKINNEY:** Thank you, Senator Cavanaugh. Any questions from the committee? Senator Quick.

**QUICK:** Yeah, so would you be able to utilize these funds along with, like, if you had rural workforce housing dollars or middle income?

**J. CAVANAUGH:** Well, so I don't believe-- I know, I know Omaha doesn't have rural workforce housing dollars.

**QUICK:** OK, so this--

**J. CAVANAUGH:** But, but Linc-- and I don't think Lincoln does. I think Linc-- I think Douglas, Lancaster, and Sarpy all don't have any rural workforce housing, but we do have--

**QUICK:** [INAUDIBLE]

**J. CAVANAUGH:** Yeah.

**QUICK:** OK. All right.

**J. CAVANAUGH:** Yeah. So every other city already has the ability to do this.

**QUICK:** OK.

**J. CAVANAUGH:** It's basically the reverse of that last bill where Omaha and Lincoln are the only cities that don't have the ability to do this, every other city does. On Senator Rountree's last bill, it was Omaha and Lincoln who had the ability and nobody else did.

**QUICK:** OK. All right. Thank you.

**McKINNEY:** Thank you. Other questions? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairperson McKinney. I, I just-- both of us being from Omaha, do you have any idea the dollars involved that might be in the economic development programs to develop this in Omaha or is it-- I have no clue.

**J. CAVANAUGH:** So Omaha doesn't currently have this program.

**SORRENTINO:** Right.

**J. CAVANAUGH:** So in terms of-- so LB840 is something that's available in other communities. I actually printed out the list here and there are quite a few communities that have done LB840 and there are many things you can do with it but Omaha and Lincoln have not started LB840 programs at all. And so they don't have-- they don't currently have a program doing even the parts of it that they are eligible to do.

**SORRENTINO:** This would allow that.

**J. CAVANAUGH:** I'm sorry?

**SORRENTINO:** This would allow that.

**J. CAVANAUGH:** Yes, this would allow them to add this, they already have the ability to make a program, they just don't have the ability to use that program for affordable housing. And so my theory is that maybe Omaha and Lincoln would start an LB840 program if they could use it for affordable housing because the current things they can use it for have not been sufficient for them to use--

**SORRENTINO:** OK. Thanks.

**J. CAVANAUGH:** --to start a program.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**McKINNEY:** Thanks. Other questions? Senator Quick.

**QUICK:** Yeah. If I remember right, do they have to pass that, too?

**J. CAVANAUGH:** Yes, it would have to be voter approved. It's, it's like a local option sales tax of use, yeah.

**QUICK:** OK. All right.

**McKINNEY:** Thank you. Other questions? Nope. Thank you.

**J. CAVANAUGH:** Yeah.

**McKINNEY:** I welcome up any proponents.

**FRED HOPPE:** Senator McKinney, members of the committee. My name is Fred Hoppe, F-r-e-d H-o-p-p-e. I'm here on behalf of Hoppe Development. We build affordable and workforce housing. We build in Omaha. We build in Sarpy County. We build in Lancaster County, Lincoln, and many towns out state. This-- the bill is a no-brainer for us because it-- the key to building affordable housing is figuring out ways to stack capital, stack money. And, particularly, we have trouble filling the difference between what our tenants can amortize and what it costs to build. This just gives another tool for Omaha and Lincoln to put together money to assist affordable housing and workforce housing as well. So for us, it, it goes to a vote of the people. It's optional by the communities. So it just seems to me, it opens a door and, you know, whether or not the cities have to go through it or want to go through it, it's up to them. And we would urge you to approve this bill. Thank you. I'd answer any question.

**McKINNEY:** Thank you. Any questions from the committee? Senator Quick.

**QUICK:** Yeah, thank you, Chair. So what other grants or loans do you have access to for, like, Lincoln and Omaha to decide, decide maybe this program? Probably very few, right?

**FRED HOPPE:** There are quite a few.

**QUICK:** Oh, there are quite--

**FRED HOPPE:** The, the, the problem is getting them loose. The-- we build low-income housing tax credits, so we go for tax credits. We build workforce housing that does both rural workforce out in Grand Island and out state and middle income, although we don't build that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

much middle income because it's, it is purely home ownership and we build mostly to rent. There-- we'll go in and we'll meet with the city of Lincoln, for instance, and try and figure out how we're going to close the gaps. And it may come from direct funds or not. This would give the city of Lincoln, for instance, or the city of Omaha another option to say, OK, well, we'll, we'll put together an LB840 program for this. Does that answer your question?

**QUICK:** Yeah, it does. Thank you.

**FRED HOPPE:** OK.

**McKINNEY:** Thanks. Senator Rountree.

**ROUNTREE:** Thank you so much, Mr. Chair. And thanks so much for your testimonies all throughout today. On this particular proposal, how receptive do you think the cities will be to that? I know they work well with you, but how, how receptive do you think the cities will be?

**FRED HOPPE:** You know, I'm not totally sure how acceptable it is because it requires a vote and the, you know, the two communities might be reluctant to, to put it to a vote, I suppose. And it, you know-- so I don't know, but at least it'd be out there for them--

**ROUNTREE:** It's out there.

**FRED HOPPE:** --to choose.

**ROUNTREE:** OK. Thank you. That's good.

**McKINNEY:** Thank you. Other questions? No. Thanks.

**FRED HOPPE:** Thank you.

**McKINNEY:** Yep. Other proponents?

**CHRISTY ABRAHAM:** Senator McKinney and members of the Urban Affairs Committee, my name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, here representing the League of Nebraska Municipalities. I want to thank Senator Cavanaugh for introducing this bill. Senator McKinney last year gently said to the League, you know, it might be helpful to provide a little background information. And the League so appreciates that you have to know so much as state senators, and sometimes it just helps to have a little bit of basic information. So the League staff put together this little handout, and as you all have heard me say,

the handout is always more interesting than I am, but here is the handout, and it's just the basics of LB840. As Senator Cavanaugh mentioned, the actual name of this act is the Local Option Municipal Economic Development Act. And that does not roll off the tongue. So we all call it the LB840 program, because that's the bill that implemented the constitutional amendment allowing for these programs. So as you can see from the handout, a municipality develops one of these plans, it goes through a lot of public hearing and public debate, and then there is a vote of the people in that community to, to allow for this program. Most of our municipalities use sales tax for the LB840 programs. That's not universally true, some use utility funds or property taxes, but most are using sales tax to fund these. And it goes to qualifying businesses in their community to promote those businesses to come to their community or expand in their community. Grand Island, Bellevue, La Vista, and about 80 other communities have LB840 programs. As Senator Cavanaugh and Mr. Hoppe noted, Lincoln and Omaha are not two of those municipalities that have them. But we're always hopeful that they're going to do them. And we certainly appreciate this bill that expands the opportunity if they decide to do an LB840 plan to use it for affordable and workforce housing. I'm happy to answer any questions you might have about this, and we hope the one-pager was helpful to you.

**McKINNEY:** Thank you.

**CHRISTY ABRAHAM:** Thank you.

**McKINNEY:** Any questions from the committee? Senator Sorrentino.

**SORRENTINO:** Just want to thank you, Chairman McKinney. Any idea why Lincoln and Omaha do not have the LB840?

**CHRISTY ABRAHAM:** You know, I'm, I'm sorry, I don't, I, I don't know. Again, now I'm, like, referring to my one-pager. I'm making you all look at it. You will notice on the back page, several of the types of qualifying businesses are only for cities of the second class, first class, and villages. And so I think a lot of the times, it's our smaller communities that are implementing this because I think it's sometimes harder to get a business to a small, small community than it is to Lincoln or Omaha. So I think the need has maybe been greater in smaller communities, and perhaps Lincoln and Omaha just don't feel like they need it yet. But it is designed for every municipality. So if Lincoln and Omaha want it, you know, we certainly would support them in that.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

**SORRENTINO:** Yeah, it's surrounding communities like Gretna, etcetera, do, I believe, have these is my understanding.

**CHRISTY ABRAHAM:** And I am so sorry, I should have printed out the list of municipalities that did. But, yes, I mean, a lot of our first class cities have LB840. I don't know that Kearney does, Senator Clouse. I apologize. It may not be all of them. But there are 84 municipalities across the state that do have it. Yes.

**SORRENTINO:** Thank you.

**CHRISTY ABRAHAM:** You bet.

**McKINNEY:** Thank you. Other questions? No. Thank you.

**CHRISTY ABRAHAM:** Thanks so much.

**McKINNEY:** Other proponents?

**ZEKE ROUSE:** Chairperson McKinney, members of the Urban Affairs Committee, once again, good afternoon. My name is Zeke Rouse, Z-e-k-e R-o-u-s-e. I'm the policy fellow at Spark, a nonprofit organization based in Omaha that is dedicated to revitalizing disinvested neighborhoods. I also lead Spark's Emerging Developers Action Group, a network of 119 members, all of whom are graduates of our Developer Academy, local small-scale developers working to bring high-quality housing and commercial spaces to neighborhoods that have historically lacked investment. I'm here today to testify in support of LB850. We believe this change is long overdue. In Omaha, for example, Spark and our partners regularly see promising housing projects, especially infill or rehabilitation projects, struggle to close financing gaps. These are often small-scale developments in neighborhoods where traditional capital sources are limited or unavailable. LB850 would give cities like Omaha the same flexibility to use local economic development funds as a tool for housing production and preservation. In practice, this could mean supporting rehabilitation of aging housing stock in historically redline neighborhoods, providing gap financing to ensure smaller community-based developers can compete with larger players, allowing local governments to respond creativity to market-specific challenges, whether it's workforce housing, affordability, or accessibility. We believe this local option is precisely what it sounds like, an option. It does not mandate how funds must be used, but rather empowers local leaders to respond to their community's needs. And as we've seen through Spark's

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Urban Affairs Committee January 27, 2026  
Rough Draft

partnerships, those needs often include modest, high-impact housing projects that revitalize blocks and build community wealth from the ground up. It's also important to recognize that LB850 directly builds on prior legislative action. In 2020, the Legislature required the city of Omaha to create a housing affordability action plan, a process that successfully brought together community members, developers, nonprofits and local government to chart a shared path toward addressing the city's affordable housing shortage. However, while the Legislature required Omaha to plan for housing affordability, it did not provide additional funding to implement the plan's recommendations. LB850 would help close that gap by giving Omaha the ability to align local dollars with the goals outlined in the HAAP. On behalf of Spark, we urge the committee to advance LB850 and give Nebraska's largest cities the flexibility they need to build and preserve housing that meets the needs of their residents. Thank you for the opportunity to testify today and for your continued commitment to addressing Nebraska's housing needs.

**McKINNEY:** Thank you. Any questions from the committee? No. Thanks. Other proponents? Any opponents? Anyone here testifying neutral? Senator Cavanaugh, you're welcome to come up. And for the record, there were two proponents, zero opponents, zero neutral, and no ADA testimony online.

**J. CAVANAUGH:** Thank you, Chairman McKinney. Thank you members of the committee for your attention and thank you for everybody who came and testified and I, I do look forward to looking at the one-pager myself from Ms. Abraham. I'm sure it's interesting as she said. I did want to point out, so there's, there's the department's website, I can share it with everybody, it has the list of all the communities, but I just quickly looked. Bellevue does participate, La Vista participates, Grand Island participates. Gretna does not. It's possible that-- I mean, Gretna is just a very fast-growing community anyway, they maybe don't think they need to do something extra for investment. Kearney is not on there, though. But it, it really is just giving communities another option. Obviously, a lot of these communities have this ability already and have not taken it, but we all know that we have a serious issue in our, in our state right now in terms of need for affordable housing. And I would point out the online comments included one from the Chamber of Commerce and I just thought I'd point to, I think it's the third to last paragraph, it says: Leveraging private investment, effectively using municipal economic development tools as a catalyst to attract additional private capital into housing development where financing gaps exist. And that's essentially what

we're talking about here. We're not talking about this is not a silver bullet, it's not a panacea or anything like that, but it is one more thing that can maybe tip a developer over and incentivize a private developer like Mr. Hoppe into building the housing that we all know we need, but doesn't make economic sense for him to build because he can't, the return on the investment is not there. And so we need to find more ways to help those folks who are building these houses for us to be able to do it and not lose money when they do it. And so giving communities tools to help increase the affordable housing stock. And I think that's what this is. There's no cost to the state. It would just give Omaha and Lincoln the option to look at doing this. So I'm happy to take any questions.

**McKINNEY:** Thank you, Senator Cavanaugh. Any questions from the committee? No. Thank you.

**J. CAVANAUGH:** All right, thank you.

**McKINNEY:** And that will conclude our hearing for LB850 and our hearings for today.