

AMENDMENTS TO LB1069

Introduced by Vargas, 7.

1 1. Insert the following new sections:

2 Sec. 5. Section 81-1238, Revised Statutes Cumulative Supplement,  
3 2020, is amended to read:

4 81-1238 (1) The director shall establish a workforce housing  
5 investment grant program to foster and support the development of  
6 workforce housing in urban communities.

7 (2) A nonprofit development organization may apply to the director  
8 for approval of a workforce housing grant for a workforce housing  
9 investment fund. The application shall be in a form and manner prescribed  
10 by the director. Through fiscal year 2026-27 ~~2022-2023~~, grants shall be  
11 awarded by the director on a competitive basis until grant funds are no  
12 longer available. Grant maximums shall not exceed one million dollars to  
13 any one nonprofit development organization over a two-year period, with  
14 ~~the no more than two million five hundred thousand dollars cumulative~~  
15 ~~amount for any single grantee to be determined by the department at the~~  
16 ~~discretion of the director through fiscal year 2022-2023. An applicant~~  
17 ~~shall provide matching funds of at least one-half of the amount of~~  
18 ~~workforce housing grant funds awarded~~ Grants shall require a minimum one-  
19 ~~to-one in matching funds to be considered a qualified grant application.~~  
20 Unallocated funds held by the department shall be rolled to the next  
21 program year. ~~Unallocated funds on June 30, 2025, shall be returned to~~  
22 ~~the Middle Income Workforce Housing Investment Fund.~~

23 (3) Grants shall be awarded based upon:

24 (a) A demonstrated need for additional owner-occupied housing. Need  
25 can be demonstrated with a recent housing study or a letter from the  
26 planning department of the city in which the fund is intending to operate  
27 stating that the proposal is in line with the city's most recent

1 consolidated plan submitted under 24 C.F.R. part 91, subpart D, as such  
2 subpart existed on January 1, 2020;

3 (b) A neighborhood or community that has a higher-than-state-average  
4 unemployment rate;

5 (c) A neighborhood or community that exhibits a demonstrated  
6 commitment to growing its housing stock;

7 (d) Projects that can reasonably be ready for occupancy in a period  
8 of twenty-four months; and

9 (e) A demonstrated ability to grow and manage a workforce housing  
10 investment fund.

11 (4) A workforce housing investment fund shall:

12 (a) Be required to receive annual certification from the department;

13 (b) Invest or intend to invest in eligible activities for a  
14 workforce housing investment fund;

15 (c) Use any fees, interest, loan repayments, or other funds received  
16 by the nonprofit development organization as a result of the  
17 administration of the grant to support qualified activities; and

18 (d) Have an active board of directors with expertise in development,  
19 construction, and finance that meets at least quarterly to approve all  
20 qualified investments made by the nonprofit development organization. A  
21 nonprofit development organization shall have a formal plan and proven  
22 expertise to invest unused workforce housing investment fund balances and  
23 shall conduct an annual audit of all financial records by an independent  
24 certified public accountant.

25 Sec. 6. Section 81-1239, Revised Statutes Cumulative Supplement,  
26 2020, is amended to read:

27 81-1239 (1) The Middle Income Workforce Housing Investment Fund is  
28 created. Funding for the grant program described in section 81-1238 shall  
29 come from the Middle Income Workforce Housing Investment Fund. The Middle  
30 Income Workforce Housing Investment Fund may include revenue from  
31 appropriations from the Legislature, grants, private contributions, and

1 other sources. In addition, the Middle Income Workforce Housing  
2 Investment Fund shall receive a one-time transfer of ten million dollars  
3 on November 14, 2020, from the General Fund. Any money in the Middle  
4 Income Workforce Housing Investment Fund available for investment shall  
5 be invested by the state investment officer pursuant to the Nebraska  
6 Capital Expansion Act and the Nebraska State Funds Investment Act.

7 (2) The department shall administer the Middle Income Workforce  
8 Housing Investment Fund and may seek additional private or nonstate funds  
9 to use in the grant program, including, but not limited to, contributions  
10 from the Nebraska Investment Finance Authority and other interested  
11 parties.

12 (3) Interest earned by the department on grant funds shall be  
13 applied to the grant program.

14 (4) If a nonprofit development organization fails to engage in a  
15 qualified activity within twenty-four months after receiving initial  
16 grant funding, the nonprofit development organization shall return the  
17 grant proceeds to the department for credit to the General Affordable  
18 ~~Housing Trust~~ Fund.

19 (5) Beginning July 1, 2029 ~~2025~~, any funds held by the department in  
20 the Middle Income Workforce Housing Investment Fund shall be transferred  
21 to the General Affordable Housing Trust ~~Housing Trust~~ Fund.

22 Sec. 7. Section 81-1240, Revised Statutes Cumulative Supplement,  
23 2020, is amended to read:

24 81-1240 (1) Each nonprofit development organization shall submit an  
25 annual report to the director to be included as a part of the  
26 department's annual status report required under section 81-1201.11. The  
27 report shall certify that the workforce housing investment fund meets the  
28 requirements of the Middle Income Workforce Housing Investment Act and  
29 shall include a breakdown of program activities.

30 (2) The annual report shall include, but not be limited to:

31 (a) The name and geographical location of the nonprofit development

1 organization;

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

4 (c) The number, geographical location, type, and amount of  
5 investments made;

6 (d) A summary of matching funds and where such matching funds were  
7 generated; and

8 (e) The results of the annual audit required under subdivision (4)  
9 (d) of section 81-1238.

10 (3) If a nonprofit development organization ceases administration of  
11 a workforce housing investment fund, it shall file a final report with  
12 the director in a form and manner required by the director. Before July  
13 1, ~~2029~~ 2025, any unallocated workforce housing investment fund grant  
14 funds shall be returned for credit to the Middle Income Workforce Housing  
15 Investment Fund. On and after July 1, 2029, any unallocated workforce  
16 housing investment fund grant funds shall be returned to the department  
17 for transfer to the General Fund.

18 (4) If a workforce housing investment fund fails to file a complete  
19 annual report by February 15, the director may, in his or her discretion,  
20 impose a civil penalty of not more than five thousand dollars for such  
21 violation. All money collected by the department pursuant to this  
22 subsection shall be remitted to the State Treasurer for distribution in  
23 accordance with Article VII, section 5, of the Constitution of Nebraska.

24 2. Renumber the remaining sections and correct the repealer  
25 accordingly.