

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB633**

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**Hearing Date:** Tuesday February 24, 2009  
**Committee On:** Urban Affairs  
**Introducer:** Mello  
**One Liner:** Create the Neighborhood Development Act

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

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**Vote Results:**

<b>Aye:</b>	5	Senators Cook, Friend, Lathrop, Rogert, White
<b>Nay:</b>	1	Senator Coash
<b>Absent:</b>	1	Senator McGill
<b>Present Not Voting:</b>		

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<b>Proponents:</b>	<b>Representing:</b>
Senator Mello	Introducer
Duane Brooks	South Omaha Neighborhood Alliance
Crystal Rhoades	South Omaha Neighborhood Alliance
Jack Cheloha	City of Omaha
Lynn Rex	League of NE Municipalities

<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

This bill would establish a new act, the Neighborhood Development Act, for the purpose of enhancing and financially assisting community development on the local level. It would be applicable to any locally-recognized neighborhood association in cities of all classes and villages and to "small communities" (incorporated villages and second class cities and villages).

This legislation has its roots in a bill introduced in 1999 (LB 607 with nineteen co-sponsors) which was the subject of an interim study that same year which yielded a committee amendment in the following year which forms the substance of this legislation (with certain distinctions).

What follows is a section-by-section summary of the provisions of the bill:

Sec. 1. Denominates the legislation as the Neighborhood Development Act.

Sec. 2. The findings of the Legislature in support of the Legislation: There is a need to stimulate local community development efforts; a need to build an environment to engage in more effective community development; and there is a need to assist community groups (which have a positive impact upon the "vitality, cohesiveness, and continued viability of both urban and rural communities").

Sec. 3. The purpose of the Act: (1) to strengthen neighborhoods and small communities by enhancing their ability to develop community development plans; (2) to coordinate the use of existing programs and funds more efficiently and effectively in support of new programs and initiatives; and (3) to revitalize declining neighborhoods and small communities; maintain the integrity of stable, viable neighborhoods and small communities, and strengthen existing neighborhoods and small communities.

Sec. 4. Definitions:

- (1) College means the College of Public Affairs and Community Service at the University of Nebraska at Omaha;
- (2) Community improvement group (a neighborhood association or small community);
- (3) Fund (the Neighborhood Development Grant Fund);
- (4) Neighborhood association (group recognized or endorsed by city, village, or county; an organization that represents residents of defined area, governed by open public meetings, elected leadership, etc.); and
- (5) Small community (unincorporated village, incorporated village, or second class city).

Sec. 5. (1) The Neighborhood Development Grant Fund is created. To be used by the college for carrying out the purposes of the Act. Specifies that it is the intent of the Legislature that five hundred thousand dollars be appropriated for the fund for the next fiscal year.

(2) State treasurer credits appropriations, donations, gifts, bequests, and money destined for the purposes of the act to the Fund. Balances in the fund are to be invested pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 6. (1) The college is to award development grants to qualified community groups through an application process. The college is to develop and distribute applications forms, set out in simple, precise, non-technical language.

(2) To be eligible, a community improvement group shall demonstrate that the grant funds will be used for a specific project, that the project if for a public benefit with a specific benefit to the neighborhood or community served, that the project will be completed within a year of the receipt of the grant, that residents will be involved in the planning, development, and execution of the project, that the project does not duplicate an existing public program; that the project has verifiable goals, and that the community improvement group will provide a match in dollars or in-kind value equivalent to 25% (for a grant of up to \$5,000); 26% to 49% (for a grant of more than \$5,000 but less than \$7,500), or 50% or more (for a grant of more than \$7,500, but \$10,000 or less).

(3) A grant recipient cannot use the funds for administrative support of the organization, for project planning, or for the administrative costs of planning the project. Not more than five percent of the funds may be used by the recipient for expenses of administering the grant. A recipient may receive only one grant per year and one grant per project. No grant can exceed \$10,000.

Sec. 7. In assessing grant applications for approval, the college shall weigh the relative merits of applications, considering these factors: the amount of the match, the level of resident or community involvement, the community needs reflected in the application, the likelihood of successful completion of the project, the innovative nature of the proposed solution, and the efficiency of the proposed allocation of project resources (public and private).

Sec. 8. Requires a final project report to the college from the recipient evaluating the results of the project, due upon completion or within one year from the date of the receipt of the grant.

Sec. 9. Requires an annual report to the Governor and the Legislature on or before January 1 of each year on the projects funded, the amount of the grants the impact of the grants, and the success or failure of the projects based on documented reports from the recipient organizations.

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#### **Explanation of amendments:**

The committee amendment changes the date (found in section 9) upon which the annual report to the Governor and the Legislature is to be made from the College of Public Affairs and Community Service (at UNO) which administers the program.

The original bill specifies that an annual report be filed before January 1 of each year. The committee amendment specifies that the annual report be filed on November 1 of 2010 (for the initial report, after the first full year of operation of the program) and on November 1 of each year thereafter.

The amendment moves the report back to November from January so that some time is available prior to the next legislative session to review its contents to determine if changes in the program or its appropriation are warranted by the experience of the prior year.

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Mike Friend, Chairperson