

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 496

FINAL READING

Introduced by Stinner, 48.

Read first time January 18, 2017

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Community Development Law; to amend
2 sections 18-2101 and 18-2103, Revised Statutes Cumulative
3 Supplement, 2016; to define and redefine terms; to provide and
4 change requirements for certain redevelopment projects; and to
5 repeal the original sections.

6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2101, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 18-2101 Sections 18-2101 to 18-2144 and section 3 of this act shall
4 be known and may be cited as the Community Development Law.

5 Sec. 2. Section 18-2103, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 18-2103 For purposes of the Community Development Law, unless the
8 context otherwise requires:

9 (1) An authority means any community redevelopment authority created
10 pursuant to section 18-2102.01 and a city or village which has created a
11 community development agency pursuant to the provisions of section
12 18-2101.01 and does not include a limited community redevelopment
13 authority;

14 (2) Limited community redevelopment authority means a community
15 redevelopment authority created pursuant to section 18-2102.01 having
16 only one single specific limited pilot project authorized;

17 (3) City means any city or incorporated village in the state;

18 (4) Public body means the state or any municipality, county,
19 township, board, commission, authority, district, or other political
20 subdivision or public body of the state;

21 (5) Governing body or local governing body means the city council,
22 board of trustees, or other legislative body charged with governing the
23 municipality;

24 (6) Mayor means the mayor of the city or chairperson of the board of
25 trustees of the village;

26 (7) Clerk means the clerk of the city or village;

27 (8) Federal government means the United States of America, or any
28 agency or instrumentality, corporate or otherwise, of the United States
29 of America;

30 (9) Area of operation means and includes the area within the
31 corporate limits of the city and such land outside the city as may come

1 within the purview of sections 18-2123 and 18-2123.01;

2 (10) Substandard areas means an area in which there is a
3 predominance of buildings or improvements, whether nonresidential or
4 residential in character, which, by reason of dilapidation,
5 deterioration, age or obsolescence, inadequate provision for ventilation,
6 light, air, sanitation, or open spaces, high density of population and
7 overcrowding, or the existence of conditions which endanger life or
8 property by fire and other causes, or any combination of such factors, is
9 conducive to ill health, transmission of disease, infant mortality,
10 juvenile delinquency, and crime, (which cannot be remedied through
11 construction of prisons), and is detrimental to the public health,
12 safety, morals, or welfare;

13 (11) Blighted area means an area, which (a) by reason of the
14 presence of a substantial number of deteriorated or deteriorating
15 structures, existence of defective or inadequate street layout, faulty
16 lot layout in relation to size, adequacy, accessibility, or usefulness,
17 insanitary or unsafe conditions, deterioration of site or other
18 improvements, diversity of ownership, tax or special assessment
19 delinquency exceeding the fair value of the land, defective or unusual
20 conditions of title, improper subdivision or obsolete platting, or the
21 existence of conditions which endanger life or property by fire and other
22 causes, or any combination of such factors, substantially impairs or
23 arrests the sound growth of the community, retards the provision of
24 housing accommodations, or constitutes an economic or social liability
25 and is detrimental to the public health, safety, morals, or welfare in
26 its present condition and use and (b) in which there is at least one of
27 the following conditions: (i) Unemployment in the designated area is at
28 least one hundred twenty percent of the state or national average; (ii)
29 the average age of the residential or commercial units in the area is at
30 least forty years; (iii) more than half of the plotted and subdivided
31 property in an area is unimproved land that has been within the city for

1 forty years and has remained unimproved during that time; (iv) the per
2 capita income of the area is lower than the average per capita income of
3 the city or village in which the area is designated; or (v) the area has
4 had either stable or decreasing population based on the last two
5 decennial censuses. In no event shall a city of the metropolitan,
6 primary, or first class designate more than thirty-five percent of the
7 city as blighted, a city of the second class shall not designate an area
8 larger than fifty percent of the city as blighted, and a village shall
9 not designate an area larger than one hundred percent of the village as
10 blighted. A redevelopment project involving a formerly used defense site
11 as authorized under section 18-2123.01 shall not count towards the
12 percentage limitations contained in this subdivision;

13 (12) Redevelopment project means any work or undertaking in one or
14 more community redevelopment areas: (a) To acquire substandard and
15 blighted areas or portions thereof, including lands, structures, or
16 improvements the acquisition of which is necessary or incidental to the
17 proper clearance, development, or redevelopment of such substandard and
18 blighted areas; (b) to clear any such areas by demolition or removal of
19 existing buildings, structures, streets, utilities, or other improvements
20 thereon and to install, construct, or reconstruct streets, utilities,
21 parks, playgrounds, public spaces, public parking facilities, sidewalks
22 or moving sidewalks, convention and civic centers, bus stop shelters,
23 lighting, benches or other similar furniture, trash receptacles,
24 shelters, skywalks and pedestrian and vehicular overpasses and
25 underpasses, and any other necessary public improvements essential to the
26 preparation of sites for uses in accordance with a redevelopment plan;
27 (c) to sell, lease, or otherwise make available land in such areas for
28 residential, recreational, commercial, industrial, or other uses,
29 including parking or other facilities functionally related or subordinate
30 to such uses, or for public use or to retain such land for public use, in
31 accordance with a redevelopment plan; and may also include the

1 preparation of the redevelopment plan, the planning, survey, and other
2 work incident to a redevelopment project and the preparation of all plans
3 and arrangements for carrying out a redevelopment project; (d) to dispose
4 of all real and personal property or any interest in such property, or
5 assets, cash, or other funds held or used in connection with residential,
6 recreational, commercial, industrial, or other uses, including parking or
7 other facilities functionally related or subordinate to such uses, or any
8 public use specified in a redevelopment plan or project, except that such
9 disposition shall be at its fair value for uses in accordance with the
10 redevelopment plan; (e) to acquire real property in a community
11 redevelopment area which, under the redevelopment plan, is to be repaired
12 or rehabilitated for dwelling use or related facilities, repair or
13 rehabilitate the structures, and resell the property; ~~and~~ (f) to carry
14 out plans for a program of voluntary or compulsory repair,
15 rehabilitation, or demolition of buildings or other improvements in
16 accordance with the redevelopment plan; and (g) in a rural community or
17 in an extremely blighted area within a municipality that is not a rural
18 community, to carry out construction of workforce housing;

19 (13) Redevelopment plan means a plan, as it exists from time to time
20 for one or more community redevelopment areas, or for a redevelopment
21 project, which (a) conforms to the general plan for the municipality as a
22 whole and (b) is sufficiently complete to indicate such land acquisition,
23 demolition and removal of structures, redevelopment, improvements, and
24 rehabilitation as may be proposed to be carried out in the community
25 redevelopment area, zoning and planning changes, if any, land uses,
26 maximum densities, and building requirements;

27 (14) Redeveloper means any person, partnership, or public or private
28 corporation or agency which enters or proposes to enter into a
29 redevelopment contract;

30 (15) Redevelopment contract means a contract entered into between an
31 authority and a redeveloper for the redevelopment of an area in

1 conformity with a redevelopment plan;

2 (16) Real property means all lands, including improvements and
3 fixtures thereon, and property of any nature appurtenant thereto, or used
4 in connection therewith, and every estate, interest and right, legal or
5 equitable, therein, including terms for years and liens by way of
6 judgment, mortgage, or otherwise, and the indebtedness secured by such
7 liens;

8 (17) Bonds means any bonds, including refunding bonds, notes,
9 interim certificates, debentures, or other obligations issued pursuant to
10 the Community Development Law except for bonds issued pursuant to section
11 18-2142.04;

12 (18) Obligee means any bondholder, agent, or trustee for any
13 bondholder, or lessor demising to any authority, established pursuant to
14 section 18-2102.01, property used in connection with a redevelopment
15 project, or any assignee or assignees of such lessor's interest or any
16 part thereof, and the federal government when it is a party to any
17 contract with such authority;

18 (19) Person means any individual, firm, partnership, limited
19 liability company, corporation, company, association, joint-stock
20 association, or body politic and includes any trustee, receiver,
21 assignee, or other similar representative thereof;

22 (20) Community redevelopment area means a substandard and blighted
23 area which the community redevelopment authority designates as
24 appropriate for a renewal project;

25 (21) Redevelopment project valuation means the valuation for
26 assessment of the taxable real property in a redevelopment project last
27 certified for the year prior to the effective date of the provision
28 authorized in section 18-2147;

29 (22) Enhanced employment area means an area not exceeding six
30 hundred acres (a) within a community redevelopment area which is
31 designated by an authority as eligible for the imposition of an

1 occupation tax or (b) not within a community redevelopment area as may be
2 designated under section 18-2142.04;

3 (23) Employee means a person employed at a business as a result of a
4 redevelopment project;

5 (24) Employer-provided health benefit means any item paid for by the
6 employer in total or in part that aids in the cost of health care
7 services, including, but not limited to, health insurance, health savings
8 accounts, and employer reimbursement of health care costs;

9 (25) Equivalent employees means the number of employees computed by
10 (a) dividing the total hours to be paid in a year by (b) the product of
11 forty times the number of weeks in a year;

12 (26) Business means any private business located in an enhanced
13 employment area;

14 (27) New investment means the value of improvements to real estate
15 made in an enhanced employment area by a developer or a business;

16 (28) Number of new employees means the number of equivalent
17 employees that are employed at a business as a result of the
18 redevelopment project during a year that are in excess of the number of
19 equivalent employees during the year immediately prior to the year that a
20 redevelopment plan is adopted; ~~and~~

21 (29) Occupation tax means a tax imposed under section 18-2142.02; ~~and~~

22 (30) Extremely blighted area means a substandard and blighted area
23 in which: (a) The average rate of unemployment in the area during the
24 period covered by the most recent federal decennial census is at least
25 two hundred percent of the average rate of unemployment in the state
26 during the same period; and (b) the average poverty rate in the area
27 exceeds twenty percent for the total federal census tract or tracts or
28 federal census block group or block groups in the area;

29 (31) Rural community means any municipality in a county with a
30 population of fewer than one hundred thousand inhabitants as determined
31 by the most recent federal decennial census; and

1 (32) Workforce housing means:

2 (a) Housing that meets the needs of today's working families;

3 (b) Housing that is attractive to new residents considering
4 relocation to a rural community;

5 (c) Owner-occupied housing units that cost not more than two hundred
6 seventy-five thousand dollars to construct or rental housing units that
7 cost not more than two hundred thousand dollars per unit to construct.
8 For purposes of this subdivision (c), housing unit costs shall be updated
9 annually by the Department of Economic Development based upon the most
10 recent increase or decrease in the Producer Price Index for all
11 commodities, published by the United States Department of Labor, Bureau
12 of Labor Statistics;

13 (d) Owner-occupied and rental housing units for which the cost to
14 substantially rehabilitate exceeds fifty percent of a unit's assessed
15 value; and

16 (e) Upper-story housing.

17 Sec. 3. Prior to approving a redevelopment project to carry out the
18 construction of workforce housing, a governing body shall (1) receive a
19 housing study which is current within twenty-four months, (2) prepare an
20 incentive plan for construction of housing in the municipality targeted
21 to house existing or new workers, (3) hold a public hearing on such
22 incentive plan with notice which complies with the conditions set forth
23 in section 13 of Legislative Bill 874, One Hundred Fifth Legislature,
24 Second Session, 2018, and (4) after the public hearing find that such
25 incentive plan is necessary to prevent the spread of blight and
26 substandard conditions within the municipality, will promote additional
27 safe and suitable housing for individuals and families employed in the
28 municipality, and will not result in the unjust enrichment of any
29 individual or company. A public hearing held under this section shall be
30 separate from any public hearing held under section 18-2115.

31 Sec. 4. Original sections 18-2101 and 18-2103, Revised Statutes

1 Cumulative Supplement, 2016, are repealed.