

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 843

Introduced by McKinney, 11.

Read first time January 03, 2024

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to the Middle Income Workforce Housing
- 2 Investment Act; to amend section 81-1238, Revised Statutes
- 3 Supplement, 2023; to change workforce housing grant maximums and a
- 4 matching funds requirement as prescribed; and to repeal the original
- 5 section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-1238, Revised Statutes Supplement, 2023, is
2 amended to read:

3 81-1238 (1) The director shall establish a workforce housing
4 investment grant program to foster and support the development of
5 workforce housing in urban communities.

6 (2) A nonprofit development organization may apply to the director
7 for approval of a workforce housing grant for a workforce housing
8 investment fund. The application shall be in a form and manner prescribed
9 by the director. Through fiscal year 2026-27, grants shall be awarded by
10 the director on a competitive basis until grant funds are no longer
11 available. Grant maximums shall not exceed ten five million dollars to
12 any one nonprofit development organization over a two-year period, with
13 the cumulative amount for any single grantee to be determined by the
14 department at the discretion of the director. An applicant shall provide
15 matching funds for ~~of at least one-half of the amount of~~ workforce
16 housing grant funds awarded. For grant funds awarded before the effective
17 date of this act, an applicant shall provide matching funds of at least
18 fifty percent of the amount of such grant funds awarded. For grant funds
19 awarded on or after the effective date of this act, an applicant shall
20 provide matching funds of a least twenty-five percent of the amount of
21 such grant funds awarded. Unallocated funds held by the department shall
22 be rolled to the next program year.

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

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

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

3 (d) Reducing barriers to the development and purchase of owner-
4 occupied housing with flexible forms of assistance, including grants,
5 forgivable loans, and other forms of long-term, patient financing;

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

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

10 (4) A workforce housing investment fund shall:

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

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

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

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

24 (5) A nonprofit development organization that has previously
25 received a grant or grants under the Middle Income Workforce Housing
26 Investment Act shall not be eligible for an additional grant under this
27 section unless the organization has expended at least fifty percent of
28 the funds from such previous grant or grants.

29 Sec. 2. Original section 81-1238, Revised Statutes Supplement,
30 2023, is repealed.