

Transcript Prepared by Clerk of the Legislature Transcribers Office
Urban Affairs Committee January 30, 2024

McKINNEY: Welcome to your Urban Affairs Committee. Today is January 30, 2024. I am Senator Terrell McKinney. I represent District 11 in the Legislature. Before we get started, I would ask each senator on the committee to introduce themselves, starting at my right.

DAY: Good afternoon. I'm Senator Jen Day. Represent Legislative District 49 in Sarpy County.

LOWE: John Lowe, District 37: Kearney, Gibbon, and Shelton.

J. CAVANAUGH: Senator John Cavanaugh, Midtown Omaha.

McKINNEY: The committee legal counsel is Elsa Knight. She's sitting at my right. The committee clerk is Raquel Dean, sitting at my left. Our page for today is Collin. He's a senior criminal justice major at UNL. Today and before all bills to be heard will be posted outside the hearing room. The senator introducing the proposed legislation will present first. Senators who serve on the committee are encouraged to ask questions for clarification. That said, the presenter and those testifying are not allowed to directly question senators serving on the committee. For purposes of accuracy for the record, we ask each presenter to state one's name, spell it, and state who you represent if not yourself. If you're planning to testify today, please fill out the testifier sheets that are found in the binders on the tables at the back of the room. Be sure to print clearly and fill out-- fill it out completely. When it is your turn to testify, give the testifier sheets either to the page or the committee clerk. If you do not wish to testify but would like to indicate your position on a specific bill, please complete the sign-in sheets with the LB/LR/AM number. These can be found in the binders on the back tables. This sheet will be included as an exhibit for the official record. In your Urban Affairs Committee, we use the light system to promote maximum engagement of those wishing to express their position on proposed legislation. The light system will be three minutes, generally, with a-- with the yellow light for one minute and a red light for, for you to conclude. We will recognize proponents, opponents, and neutral testifiers. We'll-- we will acknowledge-- we will also acknowledge letters received from the record or online comments. Should you have handouts you, you wish to share, please share ten copies or ask the clerk to make copies. The clerk will then distribute any handouts to all committee senators. Following all proponent, opponent, and neutral testimony, the bill will-- the bill's presenter is offered the ability to close and an, an opportunity for final, final remarks. As a committee, we will work diligently to give a fair and full hearing. We will make every effort

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to accommodate special request of assistance. At this hearing, we ask you to be respectful of individuals on the committee and the process and to one another. And lastly, please silent-- or, silence or turn off your phones. And also, Committee Vice Chairwoman Hunt is here. Thank you. Oh, and Senator Hardin. Good afternoon. Senator McDonnell, you're welcome to open.

McDONNELL: Thank you, Chairman McKinney and members of the committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent LD 5, south Omaha. Here to introduce LB948 today. LB948 is not just about transforming underutilized areas into thriving economic centers. It's about building the skilled workforce that powers these transformations. This bill recognizes the critical shortage of skilled tradespeople in our construction industry, a challenge we acknowledged as a Legislature and have been striving to address. Every trade I speak with has a waiting list for their apprenticeship programs. Today, we have more apprenticeships wanting to enter the industry than we have contractors utilizing apprentices in their work. The assessed-- the essence of LB948 is to intertwine the goals of the community redevelopment with workforce redevelop-- development. It asks developers engaging in projects under the Community Development Law to allocate 15% of the-- their labor hours to apprentices. This is more than a token gesture. It's a strategic move to ensure that apprentices receive meaningful on-the-job training, extending beyond the duration of any single project. By embedding this requirement, we aim to create a sustainable model that encourages continuous learning the skilled development in the construction industry. If we commit to utilizing successful training programs, contractors can look beyond the immediate and provide a place to train longer than one project at a time. In the event an apprenticeship program cannot accommodate a request for workers, these requirements are waived. Furthermore, LB948 introduces a prevailing wage provision, ensuring transparency and fairness in the bidding process. This aspect of the bill not only guarantees fair compensation for our laborers, but also sets a level playing field for all the contractors. It's important to note that LB948 draws inspiration from existing federal policies and aligns with the national efforts to rebuild our infrastructure. By incorporating the apprenticeships and prevailing wage requirements, we position Nebraska as a leader in responsible and exclusive community development. Ensuring these standards in statute would help Nebraska companies compete when it comes to being awarded federal contracts. This bill represents a thoughtful, evidence-based approach to address our skilled labor shortage while fostering economic growth. It's a

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testament to our commitment to creating opportunities for hardworking Nebraskans who are building not just structures, but their futures, and it's important to our whole state. The people that are here to testify are the subject matter experts. They work every day. They're, they're experts in their field, but they also know how to grow their field and they also know the problems with it. And trying to make sure that we, we concentrate on the you, you earn and you learn. And to do that in a thoughtful way to make sure we're preparing what we need the workforce for, the next generation. That's what these people are doing. That's what this bill is trying to do. And I just appreciate them being here to testify today.

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

McDONNELL: I'll be here to close.

McKINNEY: Alright. Thank you. Oh, Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Senator McDonnell. Thanks for bringing this bill. Just a clarifying question, this only applies to projects that are in some way seeking fed-- government money, like TIF or something. It wouldn't apply to all projects.

McDONNELL: Exactly.

J. CAVANAUGH: OK. Thank you.

McKINNEY: Thanks. Are there any proponents?

JON NEBEL: Good afternoon, Senators. My name is Jon Nebel, J-o-n N-e-b-e-l. I represent the Nebraska State Council of Electrical Workers, representing over 5,000 electrical workers and their families in Nebraska. Proponent on LB948, obviously, because of the need, as Senator McDonnell laid out, was we have been screaming about a shortage of certified, skilled trade workers for a long time, and I think we found a way to, start to remedy that situation. Right now, we, we provide money, incentivize builders to build, but we don't ask them certain questions-- one of them being, are you training the people that are building these buildings or are you just using them for the project and never getting them to the skilled level? For our industry, it takes five years to get to the skilled level; four if you're super fast on it. But most people take about five years, so. We have developed a program. Our apprenticeship program has been around in its current iteration for about-- I guess since 1947. We think we know what we're doing. Our success rate is, over the last

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six years, according to the DOL, is about 67% turnout. And I just want to break down some numbers real quick on what that means for the electrical industry. Anybody that's registering to work as an electrician in the state of Nebraska registers and gets a, a license or registration number, according to them, in kind of the order in which they applied for it. So our licensing has been around since 1975; and currently, we're at about 51,000 as the number for if I was to apply for a apprentice registration right now. We have about 7,500 people actively applying for-- as an apprentice. The rest of those in the 15,000 active licenses we have are all at the skilled level. So you can see, once a person gets to the skilled level, they just keep maintaining that license every two years. Nobody wants to give that license up. So you-- really, just looking at those numbers, you got about 7,500 skilled electricians actively ready to work in the state and 7,500 out there trying to get to that skill level. At that ratio, of the 50,000 that have registered, we're only getting about 20% to the skilled level. Our program does it at 67%. That's why I think the incentive needs to be in TIF to, to promote our types of programs. I know my light's getting tied up. So basically, these apprenticeships work, and we should incentivize them and ask contractors that if you're going to build a building, you should train the people that build it, so. Available for any questions.

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

J. CAVANAUGH: Thank you, Chairman. And thanks for being here, Mr. Nebel. So I-- you went through that a little quick. I know we got-- time. So there are 50,000 folks who are basically working as electricians in the state. Is that what you're telling me?

JON NEBEL: 50,000 in the last 48 years have registered to work as an electrician. Active: 15,000.

J. CAVANAUGH: Active. And of those 15,000, only 7,500 have gone through an apprenticeship program?

JON NEBEL: Of-- only 7,500 have attained the skilled level. And there's currently 7,500 more trying to get their-- registered currently.

J. CAVANAUGH: And what would happen if we only had that second 7,500?

JON NEBEL: You mean the, the not--

J. CAVANAUGH: Nonskilled.

JON NEBEL: Oh. Well, good luck. It, it would be difficult because, right now, we're relying on the skilled persons to complete and, and really build the project. So those folks are working a lot of overtime, getting a lot of premium pay. I, I'm sure that adds to the cost of the building if you're asking the highest paid portions of the people building it to work overtime hours and you're really not doing anything to supplement the 70-- the other half that aren't getting to that skilled level. They're-- basically, those folks are just getting assigned a task. They get really good at one task, but they're not getting good at all the tasks in the industry, so.

J. CAVANAUGH: And how many apprentices can a skilled-- is it journeyman or is there--

JON NEBEL: So I--

J. CAVANAUGH: Well, I guess what are the-- what's the nomenclature for each of these?

JON NEBEL: So journeyman would be the skilled level. Apprentice would be the-- designated for unskilled. Really, we call them first-, second-, or third- or fourth-years de-- depending on their level of going through an apprenticeship program. The state allows three apprentice, unskilled level people for every one journeyman on a job site for-- because the journeyman ultimately is responsible for training them as well.

J. CAVANAUGH: So a three to one. So-- and this bill requires 15%?

JON NEBEL: Correct. Yeah. So, yeah. We, we would-- the state, the state acceptable number of apprentices would be 75%. We say 15% of them should be in a program like ours that we'd train them to the level.

J. CAVANAUGH: So-- and how many people do you have in your apprenticeship program?

JON NEBEL: We have-- we take in about 90 a year. We have about 400 a year that apply. So it's, it's, it's a tough apprenticeship to get into. But once you get in, we're getting you through it.

J. CAVANAUGH: And it takes four to five years, you said?

JON NEBEL: Yes.

J. CAVANAUGH: And then-- I guess-- where do those-- they go through-- I've been, I've been to the facility, which is very nice. They take classes there, but then they do on-the-job training?

JON NEBEL: Yes. So classes two nights a week. Typical is what you would think of as a school year, Labor day to Memorial Day. And then on-the-job training-- state requires 8,000 hours. And, and the state really doesn't say it needs to be in a certain capacity. It just says you need to be working in the field for 8,000 hours. Our program designates that it has to be almost like a rotation. And that's maybe specific with the employer. But you're going to have to see all aspects of the trade to make sure that, by the time you attain that skilled level, you're going to be coherent in all the different aspects.

J. CAVANAUGH: So how many employers are we talking about? Do they-- does one person work with one construction company all through or is that-- they rotate different companies?

JON NEBEL: We, we do not rotate. I know some of the trades do. But we currently have 53 employers in the Omaha area that utilize our apprenticeship for their, their workforce. There is close to two dozen in Lincoln and probably another dozen amongst our-- in and around the rest of the state.

J. CAVANAUGH: And if somebody doesn't go through your program, how do they become a skilled electrician?

JON NEBEL: Time, effort. Hopefully somebody takes them under their wing and, and shows them the ropes and, and kind of gives them the same type of training that we would give them. There are self-taught programs out there. You can apply to another-- to, like, metro. I know they provide classes. But there's, there's not, like, a, almost, like, a handhold incentive that we provide. Our apprenticeship works with a partnership between the workers and the contractors. So in essence, they-- those two groups get together and say, OK. This is our capacity. This is what we think we can take on, because it is a self-funded operation. We all pay in a little bit on our paychecks. The contractors chip in the rest, so. It's whatever our load can handle. Obviously, the demand, the opportunity comes from what our contractors are getting on the jobs. If they're getting more projects, they can bring in more apprentices into that program, shrinking our waitlist and maybe getting it to 50% or that 75% that we're hoping.

J. CAVANAUGH: So the idea of this bill would be potentially allowing you guys to take more than 90 a year? Is that what you're saying?

JON NEBEL: For sure. Yeah, that, that would be-- yeah. We-- it's, it's not sustainable to only turn out 90 a year for us. We've been working 60 hours a week for the better part of a decade. We're pretty tired and we'd like to get our weekends back and, and bring some more young bucks up.

J. CAVANAUGH: So-- I've just got one more question. Apologies. I, I won't ask everybody as many questions. So-- OK. Senator McDonnell said that there's basically a release mechanism in here. If somebody goes and gets TIF and then they go out into the marketplace and they can't find 15% apprentices, there'd be some sort of exemption for them, right?

JON NEBEL: Yes. Yeah.

J. CAVANAUGH: What-- how do they-- if they've never used you guys before, what do they do?

JON NEBEL: So if they've never used us and you, and you have workers that you want to get trained, we just-- come one, come all. We'll get you in. Obviously, we, we want to get everybody trained, so we'll bring your workers in. You don't have to use the waitlist folks if you already have people. You know, we'll, we'll find a place for them. We'll exhaust the waitlist if you don't have it. And if we've exhausted-- if, if this thing works so well and we exhaust the waitlist, then, yes, there's an exemption that says it's not required to-- because we're not trying to slow down the operations. We're just trying to make sure that everybody that wants to learn the skilled trade gets to learn the skilled trade. And one other thing. I just-- it's not a new con-- well, it's, it's-- we didn't just invent this. This is something that the federal government instituted in the Inflation Reduction Act. I think the senator might have mentioned it. So it-- that's where we got that 15% ratio from. It was something that they were comfortable with using. I think Goldman Sachs did a study on it, and they're estimating that it's going to be about a \$3 trillion out investment in, in the technology that is attached to that language. So I don't think business is scared of this requirement. I think they can't help themselves but to say, yeah, let's, let's all do this together and get people in. We're all going to do some, do some good building the country.

J. CAVANAUGH: Thank you.

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JON NEBEL: Mm-hmm.

McKINNEY: Thank you. Are there any other questions? Senator Lowe.

LOWE: Thanks, Chairman. And thanks for coming to testify today.

JON NEBEL: You bet.

LOWE: So 400 apply, 90 are accepted. 90 is your maximum amount of apprentices you can handle at this time?

JON NEBEL: 90's the-- that's according to the contractors. They're the ones footing most of the bill on it. The, the, the interesting thing about our industry is that we're-- the first day on the job is-- it's a race to work ourselves right out of a job. So the construction works at about a six-month outlook, you know. Like, what's under contract? What can I afford? If I take on an apprentice in our program, it's a five-year commitment. That's a long ways from that six-month contracted work. So right now, our contractors are comfortable with, with bringing on the 90. This obviously would tell them that, hey, if it's a TIF-funded project, you're going to be-- they're going to be using these apprentices, so feel free to expand on that because, you know, you've got longevity here. I think TIF's, TIF's a good starting block for this because it's a, it's a place where people can see the work coming from a, a long ways out and, and, and build off of it. So I think it makes everybody kind of comfortable with that concept of, of growing even though some might not see past that sixth month.

LOWE: What happened to the other 310 applicants?

JON NEBEL: They still, they still get opportunity in the field as needed. So if a contractor needs to hurry up and, and, and get people in, the-- get into an entry level program, do not get the full-on five-year commitment. They'll be in there. It's hour-based. And they-- of course, they get their raises as the-- as they advance in it. But there's no long-term commitment for them. They're typically on for the rush of a job or if the job needs to spike up manpower and get something done. But it's not, it's not-- in no way is it getting them a well-rounded training.

LOWE: But they can still go through and become an apprentice and--

JON NEBEL: They--

LOWE: --journey-- potential journeyman.

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JON NEBEL: They can work towards it, yeah. But it's, it's much harder because they're not getting the school training. But they are-- they're accumulating hours towards it.

LOWE: OK. Thank you.

JON NEBEL: Mm-hmm.

McKINNEY: Thank you. Are there any other questions? Senator Cavanaugh.

J. CAVANAUGH: Sorry. Senator Lowe just inspires me to ask more questions.

LOWE: Sorry. Sorry.

J. CAVANAUGH: So-- I-- just-- I assume the math adds up, but do you know how many folks are in the apprenticeship program currently?

JON NEBEL: In ours?

J. CAVANAUGH: Yeah.

JON NEBEL: 9-- about 90, I think.

J. CAVANAUGH: 90 per year?

JON NEBEL: 90 per year, yes.

J. CAVANAUGH: And that's over five years?

JON NEBEL: Over five years, yes. So we're, so we're-- yeah, we're taking in--

J. CAVANAUGH: 450.

JON NEBEL: We'll take 90-- yes. Yeah. That's-- good math.

J. CAVANAUGH: Quick at the kid math. Thanks.

JON NEBEL: Yup.

McKINNEY: Thank you. Any other questions? Senator Hardin.

HARDIN: Are there journeymen and apprentices out west?

JON NEBEL: There is.

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HARDIN: The real west?

JON NEBEL: The-- well--

HARDIN: Not the sort of west--

JON NEBEL: Not Columbus west.

HARDIN: There are actually things way out west beyond Kearney, if you can imagine it.

JON NEBEL: Our furthest west facility is Columbus. And I know we've talked about moving west and, and setting up-- you know, maybe not putting up a, a standing training facility, but partnering up with somebody out there already to get people trained so they don't have to have that-- such a commute. But typically, our contractors work in a, in a-- the contractors that are working through us, they're-- a lot of traveling work because there's just-- you know, opportunity is what it is out there. So I would say that anything-- no brick and mortar past Columbus.

HARDIN: Thank you.

JON NEBEL: Mm-hmm.

McKINNEY: Thank you. Any other questions? Seeing none. Thank you.

JON NEBEL: Mm-hmm. Thank you.

McKINNEY: Are there other proponents?

BOB GROTHE: Good afternoon, Chair McKinney, Urban Affairs Committee. Thank you for having me here today. I'll try to get this in within my time. My name's Bob Grothe, B-o-b G-r-o-t-h-e. I'm the business manager, financial secretary treasurer for the Ironworkers Local 21. I represent 700 ironworkers throughout the state of Nebraska. I'm here today in support of LB948, which incentivizes businesses for safety through apprenticeships and supports local construction jobs. I will try to highlight both in my testimony today. A little about myself: I'm a 29-year member with Ironworkers Local 21, starting my apprenticeship back in 1995. I served a four-year apprenticeship and graduated journeyman status in 1999. I worked in the field for 19 years while holding various offices within my local. I was elected business manager in 2014 and held-- and have held that position since. Before my apprenticeship in 1995, I was working in a factory as a welder with absolutely no construction experience. Local 21's

apprenticeship taught me the skills to become a successful ironworker. I would not be where I am today without that apprenticeship program. My trade is considered one of the most dangerous occupations there is. For many years, ironworkers held the number one most deadliest job. A century ago, the average lifespan of an ironworker was only ten years. If you were an ironworker, you'd likely be killed on the job in a ten-year period. Apprenticeships have changed that. Years ago, there were no apprenticeships. There was nobody training the proper safety procedures for new employees. The employees had no idea what they were getting into or what dangers they were about to face. A new worker did not know the proper way to tie off, rig, rig heavy pieces of steel, stay out of harm's way. We train our apprentices how to stay alive on job sites, how to stay safe, and be able to go home to their families at the end of the day. LB948 will create, will create jobs for local workers. Every year, the state of Nebraska gives millions of dollars in incentives to companies to come to Nebraska. Unfortunately, there is no requirement that they must use local workers to build their projects. Local construction workers are losing thousands, if not tens of thousands, of jobs to out-of-state workers every year. These projects are being incentivized by our state. An example would be the Amazon in Sarpy County. The steel erection was awarded to an out-of-state contractor from Utah that does not use apprentices and has a history of fatalities. Amazon received millions of Nebraska taxpayers' money to help employ workers from out of state. If this bill was-- would have been in place, the local contractor may have been able to secure that work. The Amazon project alone would have put 110 local ironworkers to work. I had a stack of applications from local residents that could have used that job. But where the state is really getting hurt is in central and western Nebraska. Almost all the larger projects are being built by out-of-state workers. Another example is the Heartwell Renewable Biodiesel Plant in Hastings. It is a \$600 million facility that is using out-of-state workers to build it. The facility is estimated to have 50 full-time workers after completion. However, it will take over 600 construction workers to build it. Again, these are construction jobs that the local community could have used. When the Imagine Nebraska bill was passed, it had language that stated companies are required to have a minimum number of full-time employees to qualify for incentives. Unfortunately, there's nothing in that bill for construction workers. And many of the products are being incentivized are-- that are being incentivized by Imagine Nebraska continue--

McKINNEY: Sir.

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BOB GROTHE: --to be built from out-of-state workers.

McKINNEY: I'm-- I ask you to close.

BOB GROTHE: OK. Closing. Senators, if you're looking for a bill that would create jobs, LB948 is it. And I am-- and I'm willing to bet that there's not a bill introduced this year that will create more jobs than LB948. This bill incentivizes companies for safety through apprenticeships and creates jobs for local workers, period. Thank you guys for your time. I'm open to any questions.

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

HUNT: Thank you, Chairman McKinney. Do you have copies of your testimony?

BOB GROTHE: I, I got scribbled ones. I don't have copies.

HUNT: OK. That's OK. Would you be-- that's OK. Would you be opposed to, to-- if we had a page make some copies for us to, to take with us?

BOB GROTHE: Sure.

HUNT: OK. Can you hand that to Collin and-- do you mind making some copies for us? Thank you. OK. That would be perfect.

BOB GROTHE: And I didn't finish it all, so there's some stuff on there, but.

HUNT: And is it OK if we reach out to you--

BOB GROTHE: Absolutely.

HUNT: --if any questions come up later?

BOB GROTHE: Yep.

HUNT: Perfect. Thank you very much.

BOB GROTHE: Mm-hmm.

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

J. CAVANAUGH: Thank you, Mr. Grothe, for being here. I just wanted to kind of ask you some of the questions I asked Mr. Nebel about. So you

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have 700 members. Can you break down how many of those are apprentices and how many are journeymen?

BOB GROTHE: We're about-- so 700 members includes our whole membership. Apprentices, we're, we're close to about a hundredish. We could take more. You know, we, we could do block training. Right now, we're training, you know, four months a year during the week. But I mean, we could train year-round. We could take more already. We need them.

J. CAVANAUGH: What's the holdup from taking more?

BOB GROTHE: We said the-- we're taking them. We're, we're taking them. When they come in, we're taking them.

J. CAVANAUGH: OK.

BOB GROTHE: You know. We're getting-- applications are coming. We, we'll, we'll, we'll take as many as we can get.

J. CAVANAUGH: And so-- and what's-- is it, is it everybody a four-year apprenticeship--

BOB GROTHE: It is with us. It's four years. We're not a licensed trade like some of the other trades. And, you know, the license trades are protected just a little bit, but we're not. We have no protections as far as having licenses, so. You know, what's-- what is really killing us, like I said, is the-- is the out-of-state workers that are being incentivized. They can bring anybody in to do these jobs. And, and again, we're losing-- I mean, I see it all the time. I can bring up a lot more jobs. And, and a lot of times, it's not-- it's not that they're the low bid. It's just they have a relationship with the contractor they worked for from another state. A lot of times, our contractors aren't even allowed to bid it. And they're getting incentivized by, by the state of Nebraska for it.

J. CAVANAUGH: I mean, that Amazon example was pretty compelling, 110 jobs could that have gone to local folks that are going to out-of-state folks. And when those out-of-state folks come, they just stay for the job and move on, right?

BOB GROTHE: They stay for the job and then they leave. They take the money with them.

J. CAVANAUGH: And go on to the next place.

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BOB GROTHE: Yup.

J. CAVANAUGH: Gotcha. And I'm trying to think of what the other question I asked Mr. Nebel was. Where-- so-- oh, do, do you guys have a ratio then for journeymen to apprentices [INAUDIBLE]--

BOB GROTHE: We, we try to do four to one-- or, I'm sorry-- yeah. One, one, one apprentice and four journeymen.

J. CAVANAUGH: One apprenti-- OK.

BOB GROTHE: Yeah. 25%.

J. CAVANAUGH: So it's-- that's 25%.

BOB GROTHE: Yeah.

J. CAVANAUGH: So it's still less than the 15%.

BOB GROTHE: Yep. Yep.

J. CAVANAUGH: OK. Thank you.

BOB GROTHE: Yep.

McKINNEY: Thank you. Are there any other questions? Senator Hardin.

HARDIN: Do you have a sense-- you mentioned the Amazon project-- how many millions of dollars in the last year, five years? Give us a sense as to how much money we're giving to out-of-state groups that are coming in. Granted, we would need to have the labor here to be able to accomplish it, but how much are we essentially sending out of state that could be here?

BOB GROTHE: Well, I, I, I wish I could answer that, Senator Hardin. I-- you know, I, I try to find where, where the TIF-- you know, from, from the numbers I get, it's always in the news. And the TIF-- I mean, to find the TIF-- it's, it's actually harder to find that than it is navigating through the Nebraska Legislature website to try to find that stuff, that information. But I, I know-- I, I just know-- like, in your area, it's, it's-- there-- it's all out-of-state people to do it. You know, all the meatpacking plants and that that come out there. It's all out-of-state workers. For that dollar amount, I think you would be astonished probably how many-- how much actually goes out to the other states after we incentivize it. There's a lot.

HARDIN: Thank you.

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BOB GROTHE: You're welcome.

McKINNEY: Thank you. Any other questions? I-- Senator Lowe.

LOWE: Thanks. And thank you for coming to testify. How many ironworkers did you say were in Nebraska right now?

BOB GROTHE: We have 700 throughout the state. I mean, they're, they're from-- I mean, [INAUDIBLE]-- you know, Scottsbluff area, not a lot. But, you know, Kearney, we-- where we have-- we have a job in Kearney right now we're doing and the casino in Grand Island. But yeah, we, we-- you know.

LOWE: Could the 700 ironworkers in the state handle all the jobs that are happening in Nebraska at this time?

BOB GROTHE: At this time, if we had the people, yeah. We're, we're taking them. Yes. I, I absolutely believe so. [INAUDIBLE] applications all the time.

LOWE: So help wanted, huh?

BOB GROTHE: Help wanted. We want them. We, we, we will employ as many people as we possibly can. That's what-- you know. And that's-- end of the day, that's what we want to do. We want to employ people from our local community.

LOWE: A decent paying wage on average?

BOB GROTHE: Depends what you call decent, you know. It's not attorney wages, but it's, it's a-- yeah. This is decent, you know. If you, if you look at a total package for ironworkers, you know, with benefits and everything, it's about \$54 an hour.

LOWE: But we're talking about a respectable position, not an attorney, right?

BOB GROTHE: Yeah.

McKINNEY: Thank you.

BOB GROTHE: No, it's decent. It's good money. I'm, I'm very fortunate.

McKINNEY: I have a couple. How open are you to individuals that are returning back from society from-- coming from prison?

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BOB GROTHE: You're talking to ironworkers. So we, we, we-- yeah. We have a lot of them, honestly. We, we do a lot of work with, with, with Project Reset. We're getting them. We're-- we actually have a group tour in our facility coming up here in-- it's, like, three-- two weeks. But we do get a lot of them from, from the system that we're-- we're looking for people to work. We don't-- you know. There's no background checks when you come apply with us.

McKINNEY: Yeah. Because on, on one of my wish lists is that we can get more trades to start working inside of some of our institutions to prepare those individuals to, you know, return back to society and have some gainful employment. So that's good to hear.

BOB GROTHE: I absolutely agree. And we, we do a lot of it. And again, we have, we have a lot of people that has history in our-- in my, in my trade. That-- long as they go do the job and go to work, and-- that's, that's all we ask for, you know.

McKINNEY: All right. Thank you.

BOB GROTHE: Thank you.

McKINNEY: Any other questions? No. Thanks.

BOB GROTHE: Thank you guys. I appreciate your time.

McKINNEY: Any other proponents?

ED BLACK: Hi. My name's Ed Black. I am currently the rep for the Bricklayers Union. But I'm a 25-year mason. I've only been in the union for about 15 years. Here to talk about this bill. Our biggest thing with the TIF projects is the apprentice. You know, we need more of them. And we've got a big project in Omaha right now that got \$60 million in TIF financing. And the contractor that was awarded to for the masons is known to use a lot of undocumented workers. So we're-- the tax incentive financing is subletting him to use cheap labor instead of a reputable mason contractor. And this goes for contractors all together. I know we're a little different than some of the other people. We're a three-and-a-half year program. We're self-funded, you know. And apprenticeship, it changed my life. I come from low-housing income, was a troubled youth. And this trade is what changed my life. It got me to where I could make a livable wage to support my family and, you know, change everything about my life. And a lot of my friends that grew up in the same neighborhood, they found the trades, and it did the same thing for them. It changed their lives, gave them longevity, benefits. So you can leave a good life.

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Our apprenticeship program, we've got-- I represent 250 members. We've got around 23 apprentices right now. I've got 20 on a waitlist. We run about a 80% success rate. That's about it.

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

ED BLACK: Yeah.

HARDIN: Where are you finding most of your candidates?

ED BLACK: Well, we find them from all over. We're one of the only trades that you don't have to have a high school diploma to get into. So we go through Project Reset, Indeed. A lot of it's through that. School outreach. So in high schools, they have career days. We go there to try to get kids to understand the benefit of the trades, the future it can give to them because not all kids want to go to college. So we let them know that they can make a good living doing a trade. And, you know, it's the same as-- learn while you earn. You go to school and work at the same time. So essentially, when you go to school for four years, you could done-- be a journeyman and making a great wage and, you know, living a good life already.

HARDIN: If you're talking with a, a young person and you're saying, hey, this is where you could be in a year, two years, four years--

ED BLACK: Yeah.

HARDIN: --five years, can you kind of give us a sense in terms of how much-- how much money might we be enticed? Because several of us would be willing to leave our positions here to join you. And so can you kind of paint that picture for us?

ED BLACK: Well, for us-- like, right now, our starting salary-- or, starting pay for someone hourly, you're right around \$18, \$19 an hour. But most of my contractors right now are hiring at \$20, \$21 an hour. And that's just your hourly wage. And that's not including your health and your retirement on top of that. So the way I explain it to a lot of people-- you know, I got into this trade and-- like I say, I was-- come from a bad background. But by the time I was in my third year of apprenticeship, I had-- I bought my first brand new car. When I was a first-year journeyman, I bought a house. And without the trades and the training I received, I never would have gotten there.

HARDIN: Many of our college graduates have no idea what it is to sit at a closing for real estate, so.

ED BLACK: Yeah.

HARDIN: Yeah.

ED BLACK: Building trade gave it to me.

HARDIN: Right. OK. Thank you.

ED BLACK: Yeah.

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

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Black. What's the apprenticeship to journeyman ratio you guys have in your--

ED BLACK: We're about four to one-- four to five to one. Somewhere in there.

J. CAVANAUGH: OK. And you said you have a waitlist of 20?

ED BLACK: Yeah.

J. CAVANAUGH: And what's the limiting factor there? Is it the number of jobs that you can take folks on or--

ED BLACK: Yeah. Just the number of jobs available to the guys. Our-- right now, our-- we're currently taking around-- this year, our call's for 20 apprentices. So, you know, we'll take that into account. So we'll bring 20 in and-- you know. But by the time we go out and we do applications, we'll-- you know, 30, 40, sometimes 50 people apply. And when you're only taking 20 of them, you know, it kind of limits it. But a lot of it is, a lot of the TIF projects in my area, they don't, they-- it goes to low bidder. And that's where we run into low bidder-- you know, these people doing the jobs, they're-- like I say, a lot of them-- I go out to job sites, a lot of them hire undocumented workers. And they're not properly trained. And, you know, it's just-- that's the problem. That's why we need-- this bill would help that substantially.

J. CAVANAUGH: Thank you.

McKINNEY: Thank you. Any other questions? Senator Lowe.

LOWE: Thank you. And thanks, Mr. Black, for--

ED BLACK: Yeah.

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LOWE: --coming to testify.

LOWE: Bricklayers and blocklayers, are they the same?

ED BLACK: Yeah, we're the same. We're masons in general.

LOWE: Yeah. Is it hard to find a, a, a mason anymore in positions-- I know out in central Nebraska, it gets tough at times.

ED BLACK: It is. The guys we talked to in central Nebraska, there-- it-- everybody's having the same problem. Beings we're an unlicensed trade and beings the undocumented workforce-- where they come from, there's a lot of masonry down there. So when they come up here, they can just come into our trade. Well, it is killing our pay scale. So they-- it makes it harder for us to compete. So, you know, when they can hire somebody for, you know, \$7, \$8 an hour less an hour than the regular bricklayer, it hurts our trade. That's why it's getting harder for people to find people to do the trade, is because our pay scale is getting less and less because they're trying to bid and compete to get the projects. So-- and I, I say, yeah, I am a member of the union, but I still talk to and deal with a lot of my buddies that-- some of them are owners of nonunion companies. And it's all the same thing all around, is that's the issue we're facing, is our trade is getting beat.

LOWE: All right. Thank you.

McKINNEY: All right. Thank you. Any other questions? Seeing, seeing none. Thank you.

ED BLACK: All right. Thank you.

McKINNEY: Are there other proponents?

RON KAMINSKI: Good afternoon, Chairman, members of the committee. My name is Ron Kaminski. Last name is K-a-m-i-n-s-k-i. And I am here as president of Nebraska and Southwest Iowa Building and Construction Trades in support of LB948. I apologize. I wasn't here for the beginning and the introduction by the senator, but I did hear a couple folks testify. The bottom line here: this bill is about helping Nebraskans. Doesn't matter if you're union, nonunion. Doesn't matter if you're left or you're right. It just is helping ensure that our tax dollars are going to incentivize Nebraska workers and Nebraska companies. There are a lot of things I could get into about the, you know, the 30,000 members we represent, the thousands of registered apprentice-- apprentices that are actively getting

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trained, the millions of dollars we spend every year on training workers, all that stuff. But the main purpose of this bill is to incentivize Nebraska workers and Nebraska contractors. And that's it. That's the bottom line. So I really hope that you guys will consider supporting this legislation. Because like I said, it's to help Nebraska contractors and Nebraska workers. And that's all I have, sir.

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

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Kaminski.

RON KAMINSKI: Yup.

J. CAVANAUGH: You're here for the building and construction trades. What, what groups are a part of that?

RON KAMINSKI: It's 18 different international unions, from-- everything from laborers to electricians, plumbers, steam fitters, bricklayers, cement finishers and-- I know I'm going to get yelled at here. There's quite a few more--

J. CAVANAUGH: Might be forgetting the ironworkers.

RON KAMINSKI: Oh. Bob. Ironworkers. Two different ironworkers, locals. So every aspect of, of construction, Senator.

J. CAVANAUGH: And you said 30,000 members. That's for all of those groups across--

RON KAMINSKI: Correct. Yup.

J. CAVANAUGH: And you said you had thousands-- I would-- representing all those groups, I won't to ask you to drill down on all the numbers. But ultimately, what we're hearing here today is we can get more skilled labor by getting more apprentices, and we can get more apprentices by making sure that jobs are taking apprentices. Is that right?

RON KAMINSKI: That's exactly right, Senator.

J. CAVANAUGH: And so you guys can train more people going forward to make these good, livable wages if we do this.

RON KAMINSKI: Yeah, to fulfill those positions that Nebraska contractors would be hired to perform.

J. CAVANAUGH: OK. Thank you.

McKINNEY: Thank you. Any other questions? Seeing none. Thank you for your testimony.

RON KAMINSKI: Thank you so much. Have a great day, guys.

McKINNEY: Are there other proponents? Are there any opponents?

WARD F. HOPPE: Good afternoon, Chair McKinney, members of the Urban Affairs Committee. My name is Ward F. Hoppe, W-a-r-d F. H-o-p-p-e. And I'm a principal of Hoppe Development, which builds, owns, and operates workforce and affordable housing projects across Nebraska. Currently, we've done one or more projects in each of nine counties, from Cherry to Lancaster. We have projects and planning in four more counties. Our workforce housing basically conforms to the Rural Workforce Program of Interest, 81-1226. Our affordable is under Section 42 of Inter-- Internal Revenue Code. We're active users of affordable housing trust funds and other DED affordable housing programs. Hoppe Homes is a subsidiary of ours which does our construction. Most of our projects are community redevelopment projects, i.e., use TIF. And we build both for sale and for rent. I'm here to testify both on behalf of Hoppe Development and on behalf of the Metro Omaha Home Builders Association, the Home Builders Association of Lincoln, the Nebraska Chamber of Commerce as one of their members, the Omaha Chamber, and the Lincoln Chamber. We all oppose LB948. That creates a regulatory hurdle, a regulatory burden. It creates huge hurdles to increasing affordable and workforce housing across our state. In our experience, tax increment financing, the community redevelopment process is a necessary part of the capital stack of an affordable housing project to bridge the gap between cost and what rents amortized. This bill will undoubtedly increase cost of projects that have TIF. LB948 has two parts. First, it sets up a state Davis-Bacon. Davis-Bacon is a national program that requires payment of prevailing wage and a bunch of different criteria on workforce and federal projects. Our experience is in using-- in Davis-Bacon projects that their cost is from 10% to 20% more than non-Davis-Bacon contracts. Subcontractors, which we use, almost entirely don't like an aren't equipped to perform under it. This is across this state. We don't-- have not yet built much in Omaha or Sarpy County, the Omaha metro area, where there are more union contractors than Davis-Bacon-equipped contractors. Either

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outstate contractors and our contractor subs don't pay the required prevailing wage-- most of them pay the wage in their area-- or don't like the paperwork required to show it. In any case, complying with LB948 will undoubtedly limit subs that will bid our projects. Further, we build across the state. DB subcontractors are concentrated mostly around Omaha.

McKINNEY: Mr. Hoppe--

WARD F. HOPPE: --outstate sub--

McKINNEY: I'll ask you to close. OK. Are there any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Hoppe. It's always good to see you. So could you refresh my recollection or maybe educate me-- when somebody applies for TIF, they don't just get it just by asking, right?

WARD F. HOPPE: Well, there are several things that are involved with getting tax increment financing. First, it has to be a project that's in a, a blighted and substandard area. Then the, the-- you have to go through the community redevelopment authority of your area that determines whether or not your project is a qualified redevelopment project for whatever. We use it primarily with, obviously, housing and the development. And then the, the money that's generated from TIF is-- goes into the public improvements that are involved with the project. The way I read LB948, 15% of the, the subs across the entire project that would be involved in the redevelopment would have to be apprentices. Well, that's just not feasible in-- outside of the metro area.

J. CAVANAUGH: OK. Well, I guess my question-- so you have to go through those-- at least those two-- you have to meet those two standards to get TIF. And-- but you were saying this would be an extra regulatory burden. I-- am I misreading this bill? Or if somebody applies for TIF, part of the application would include that they pursue this standard?

WARD F. HOPPE: We don't know because that's not spelled out in the bill. But what is spelled out in the bill is that if a redevelopment contract would have to have one paid prevailing wage-- which, generally, a lot of the builders pay anyway-- but secondarily, the 15% of the employees that are used in the project have to be apprentices. And it defined pre-- apprentices as union members in an

apprenticeship program. OK. Well, what we don't have is those programs and that-- those employees anywhere but potentially in the metro area, that I know of anyway.

J. CAVANAUGH: OK.

WARD F. HOPPE: And consequently, you're not going to have subs that, you know, meet those criteria. And if it costs you 10% more to do an entire project because it's using TIF-- in an affordable project, TIF, TIF is limited. It's not-- doesn't generate the income potentially that certain projects where nonaffordable housing projects might, by its nature. So if you are doing those projects and you're only getting-- let's say you got \$1 million project or you got a \$20 million project that would generate \$600,000 or \$700,000 worth of TIF. And you-- the-- by use of the, the requirements of LB948, increase your costs by 10% or 15%. The economics don't work to use that as a TIF project because you're paying \$700,000 more money to do that project because of the requirements of LB948.

J. CAVANAUGH: So-- well, I guess-- I just-- yeah. I guess I'm operating in the world of constructive criticisms. And so I'm trying to hear what you're saying and see if we can make some suggestions to Senator McDonnell on how to make this workable. And one of them is you're saying outside the metro areas-- I assume you mean Omaha and Lincoln--

WARD F. HOPPE: Right.

J. CAVANAUGH: --that it would be prohibitive to get this type of labor. And there is a provision in here that says if you-- if it's not realistic, you could get an exception, right?

WARD F. HOPPE: I, I think there is some provision if you apply to-- I think it's the Department of Labor for-- and they don't respond within five days or something about providing the apprentices.

J. CAVANAUGH: I guess my question would be-- and maybe-- there's a lot of folks here and this might be a little bit more detailed than we can parse out right now. But would you and your-- the large group of folks that you've-- you're representing here today be willing to clear up those sort of-- the technical issues you have with the bill? Because you-- you have two problems to me is what it sounds like. One is there's some lack of clarity in here that makes it maybe the exceptions less than workable for you. And the other one is just sort of a fundamental issue with, this raises the cost of a project, which

that, admittedly, might not be a negotiating point in figuring out this bill, but.

WARD F. HOPPE: Well, our experience is that it does, that, that in Davis-Bacon jobs, they're just more expensive. I mean, they come in, the bids come in much more. I-- you've heard testimony earlier of the proponents that-- and it would seem to me that in response to that testimony is using a process like LB948 increases the cost and makes it noncompetitive with outstate contractors and using internship programs. Make those programs noncompetitive with other contracts--

J. CAVANAUGH: Yeah.

WARD F. HOPPE: --of some sort.

J. CAVANAUGH: And I don't think we're going to re-- resolve the particulars of that part at this point. But I'm just saying you, you have articulated a number of what I would consider legitimate complaints about just the actual implementation mechanism. And I'm just trying to figure out if--

WARD F. HOPPE: Well--

J. CAVANAUGH: --when we're not, not here on the microphone with all these people staring at us, if we could fi-- work with Senator McDonnell and figure out the technical [INAUDIBLE].

WARD F. HOPPE: Sure. There may, there may be-- I think-- there are two aspects of it. One, one, what it is, and then the mandatory aspect of and the demand for those specific workers, but. We, we know there are lots of people that would like to be in it, but there aren't.

J. CAVANAUGH: Yeah. Well, thank you.

WARD F. HOPPE: There are people in the program--

J. CAVANAUGH: Thanks.

WARD F. HOPPE: --available.

McKINNEY: Thank you. Are there any other questions? Seeing none. Thank you for your testimony.

WARD F. HOPPE: You bet.

McKINNEY: Other opponents? Thank you.

CARTER THIELE: Thank you, Chairman McKinney and members of the Urban Affairs Committee. My name is Carter Thiele. That's spelled C-a-r-t-e-r T-h-i-e-l-e. And I am the policy and research coordinator for the Lincoln Independent Business Association. Last week, I testified on LIBA's behalf to support adopting the Apprenticeship Grant Act. We want to support apprenticeship programs, and we look for ways to do that. But we would rather the Legislature look for ways to support apprenticeship programs without potentially deterring redevelopment projects. I speak on LIBA's behalf to oppose a specific provision in LB948 which mandates that 15% of the total labor hours of construction for a redevelopment project be performed by qualified apprentices. This requirement has good intentions that may result in negative impacts on redevelopment. Firstly, this requirement could lead to a shortage of skilled labor on redevelopment projects. Apprentices, by definition, are individuals who are learning their trade. When they're under the supervision of skilled workers, their relative lack of experience could impact the quality and efficiency of the work performed. Secondly, the 15% requirement could potentially lead to delays in project timelines. Training and supervising apprentices requires time and resources, which could slow down the pace of construction work. This could result in projects taking longer to complete and increasing costs, potentially making some projects financially unviable. Lastly, because of that, this provision could inadvertently limit the pool of potential contractors for a project. Smaller contractors or those who don't typically employ apprentices may be excluded from bidding on projects, thereby reducing competition and potentially leading to higher costs. In conclusion, the apprenticeship requirement in LB948 could have unintended negative consequences on the efficiency, cost, and quality of redevelopment projects. Therefore, we urge this committee to reconsider this provision and explore, explore alternative ways to support apprenticeship programs without negatively impacting the redevelopment process. Thank you. And I would be happy to answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? I got one. So how do we find a balance here? You know, we, we hear about the need for, you know, more opportunities for apprenticeships, but you also say there could potentially be negative impacts. And we're dealing with-- technically, we have low unemployment, but we know a lot of people are working multiple jobs and aren't actually being paid a lot of money. And also, another issue is a lot of the individuals that came before us today are up in age. How are we growing the workforce from the ground up? So how do we balance that?

CARTER THIELE: Well, just balancing from last week the Apprenticeship Grant Act and this bill here today, what I would say the main difference is the aspect of incentivizing businesses to retain and acquire more apprentices so that they can be the ones to apply and bid for these sorts of things with the, with the knowing of what they can provide. Compared to this, our main concern with this bill is redevelopment and the efficiency of the redevelopment projects. I wish I could offer an alternative, a way that we could somehow take out the, the requirement of the labor hours being completed by apprentices. But unfortunately, our organization's main concern with this bill is the efficiency of redevelopment projects. We want to see it done as quickly as possible.

McKINNEY: I understand that, but I'm sure Senator McDonnell or others would argue just relying on developers to set aside those jobs for apprenticeships is well-- it, it, it-- although you're well-meaning, it doesn't happen like it's supposed to, so. I'm sure that's probably why you put the requirement in the bill because just relying on developers to do the right thing has been a issue.

CARTER THIELE: Well, yeah. And I can see that, but there are other forms of labor. There are other jobs, other projects besides redevelopment projects.

McKINNEY: That's true, but. Still, it's an issue as well.

CARTER THIELE: I, I understand. I understand.

McKINNEY: Well, thank you. Any other questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Thiele. I was just rereading your comments, and you had the part about the smaller folks. I, I don't know if you heard Mr. Nebel's testimony where he said, if there are other contractors who have labor, that they'd be happy to take them in the program if they have [INAUDIBLE]. So I don't know if that alleviates some of your concerns that folks can have their unskilled laborers join the apprenticeship program once they have a contract already. I don't know-- if you wanted to respond to that.

CARTER THIELE: Well, I may have been out of the room at that time.

J. CAVANAUGH: That's all right.

CARTER THIELE: He s-- he, he speaks for him and his organization. And I'm just reiterating the things that I've been told.

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J. CAVANAUGH: Right. I, I gotcha. I'm-- you don't have to have heard it before. I guess my question is, if that is the case, would that alleviate some of your concerns that these other contractors weren't already part of the union or part of the apprenticeship program could get their folks in and thus satisfying the, the requirement? Would that help? You don't have to [INAUDIBLE]--

CARTER THIELE: But the main concern, though, is just how fast can we get-- is it going to have an impact on how quickly redevelopment projects are done? Because they're all over the place in Lincoln. And we want the-- we want to encourage them and for them to be done as quickly as possible. So if there's a way to incorporate that that doesn't deter that redevelopment, then by all means.

J. CAVANAUGH: OK. Thank you.

McKINNEY: Thank you. Any other questions? Seeing none. Thank you for your testimony.

CARTER THIELE: Thank you.

McKINNEY: Are there other opponents?

JEREME MONTGOMERY: Good afternoon. First of all, thank you, Mr. Chairman and the members of the committee, for allowing me time to speak in-- on this matter. I sit here today in, in opposition of LB948. As a concerned citizen--

McKINNEY: Sir.

JEREME MONTGOMERY: Yes?

McKINNEY: Can, can you say your name and spell it, please?

JEREME MONTGOMERY: I'm sorry. Thank you. Jereme Montgomery. J-e-r-e-m-e; Montgomery, M-o-n-t-g-o-m-e-r-y. I'm here representing myself, Home Builders Association of Lincoln, and Stephens and Smith Construction. As a citizen, as a contractor, and as a-- the president-elect of the Home Builders Association of Lincoln, I believe this proposed legis-- legislation of mandating 15% labor required to be apprenticeships raises significant concerns. First, my concern is flexibility. The proposed language does not allow for flexibility of hiring and deploying workers based on specific project needs throughout Nebraska. Having flexibility or giving the developer or general contractor flexibility is particularly crucial in construction industry-- in the construction industry, where project

timelines, requirements, and scopes are-- can vary significantly. Under this bill, could contractors swiftly adjust their workforce schedule to meet the project demands efficiently, especially in rural Nebraska? My second concern is increased costs. Contractors, developers often collect and award bids to the trades on a design-bid-build concept, awarding contracts to the lowest, most qualified bidder. This cost-effectiveness can lead to more competitive bids and ultimately resulting in significant savings for the project owners and, in some cases, the taxpayers. Requiring prevailing wages of 15% of the total labor will increase costs. And to me, it seems a little counterproductive to, to incentivize developers to utilize TIF money and then increase the costs through legislation. My third concern was inclusivity. This bill is not inclusive. Nebraska construction projects need inherently-- to be inherently inclusive, as they pri-- prov-- prioritize hiring and promoting individuals based on their skills and qualifications rather than their tenure or affiliation. This bill as written requires apprenticeships to be in a-- from a union, not from a merit-based company, which comprises 93% of all construction companies in Nebraska. So I-- additionally, I urge the committee to reconsider the broader implications of this bill on construction projects, especially on affordable housing. It is crucial to evaluate not only the immediate effects, but also the lasting effects on our communities and as a state as a whole. Any questions?

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

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Montgomery. You said this was a mandate. Does it apply-- I, I-- my understanding-- I apologize-- was that it applies to projects that are using tax increment financing. Does it apply somewhere else?

JEREME MONTGOMERY: Mandates for TIF projects.

J. CAVANAUGH: OK. So it's just for TIF projects.

JEREME MONTGOMERY: Yes.

J. CAVANAUGH: But you're not required to take TIF when you develop a project.

JEREME MONTGOMERY: No, but-- for this bill specifically is for TIF projects.

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J. CAVANAUGH: Right. OK. But-- so it's not a mandate. It's a requirement for using TIF? And there may be a better way to put it.

JEREME MONTGOMERY: Thank you.

J. CAVANAUGH: OK. Thanks.

McKINNEY: Thank you. Senator Lowe.

LOWE: Thank you. So why would a contractor use TIF?

JEREME MONTGOMERY: As, as an incentive to make the project cost less.

LOWE: OK. Thank you.

JEREME MONTGOMERY: Right.

McKINNEY: Thank you. So is the lowest bidder always the right thing, though?

JEREME MONTGOMERY: Lowest, most qualified bidder.

McKINNEY: Is-- does it-- in practice, does it always happened that way, though?

JEREME MONTGOMERY: Unfortunately, no. That's the world of construction. But that's what it's supposed to be. So when we bid jobs, we usually get a phone call saying, do you have this? What's your quantities? And they're just qualifying. Are you-- a lot of projects require some-- something called the, the Concrete ACI certifications. You know, do you have your proper certifications in place? Are you correctly bonded? I mean, all those types of things to qualify a contractor or a subcontractor are usually asked after the bids have been submitted.

McKINNEY: OK. And if you're using TIF, what would you say to a taxpayer who feels that your utilization of TIF is a loan-- a tax loan, technically-- and all they're asking for as an, an opportunity to have an opportunity to learn the trades and things like that. And if you're getting a tax-- if, if you're getting TIF, why not give the taxpayer an opportunity to at least have a percentage of those projects?

JEREME MONTGOMERY: So why not make it more inclusive and include all construction companies, not just unions?

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McKINNEY: So if it was just-- if it was more inclusive, would you be more open to this?

JEREME MONTGOMERY: Well, I'd be more open to it if that was allowed. But there's still the, the costs that I have issues with. And again, the flexibility of, of, you know, managing-- you know, when we have projects that are Davis-Bacon, there's probably about 20% more cost that we have on our end just to manage those types of projects.

McKINNEY: All right. Thank you.

JEREME MONTGOMERY: Yeah.

McKINNEY: Senator Cavanaugh.

J. CAVANAUGH: I, I apologize. Thank you, Chairman. You said that a couple times that it only requires that they have to be a union. Am I missing part of this? I mean, apprenticeship programs-- in my mind, yes, I equate that with unions because they're the ones who do it. So are you saying that there are no nonunion apprenticeship programs that would qualify?

JEREME MONTGOMERY: No, there are. There are. But-- and, and I think-- believe this is the way that, that bill is worded, it-- merit-based companies do not apply for their apprenticeships.

J. CAVANAUGH: OK.

JEREME MONTGOMERY: And it's in those sections and those numbers from what I was told.

J. CAVANAUGH: There, there's a few more words in here than we can go through now, but I'll, I'll take a look for it.

JEREME MONTGOMERY: And-- yeah. Maybe somebody else can clarify that.

J. CAVANAUGH: Thank you.

McKINNEY: Thank you.

JEREME MONTGOMERY: Thank you.

McKINNEY: Any other opponents?

KENT ROBERT: Good afternoon, Senator McKinney, members of the Urban Affairs Committee. My name is Kent Rogert, K-e-n-t R-o-g-e-r-t. Here representing Associated Builders and Contractors in Nebraska and

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South Dakota. We are an association of merit-based companies in opposition of LB948. First off, I want to say that we sincerely appreciate Senator McDonnell's efforts to encourage entry into the trades through apprenticeship programs. Many of our members do have apprenticeship programs, and ABC locally actually has its own apprenticeship programs in-- across the state and here in South Dakota. Senator Cavanaugh, bottom of page 5, very last word: "and." That pro-- that prohibits our, our apprenticeship programs for qualifying from this. If it was an "or," we would be able to do that. I don't know if it's purposely drafted with an "and," but I think if we change that, it'd get us there. We've got concerns with the 15% requirement. There are some 600,000 unfilled construction jobs across the country. And we're having trouble getting-- we'll take anybody we can get who wants to climb a ladder and swing a hammer as long as they're trained and we're-- covered with our, with our programs. Under the, under the bill here, you know, registered apprentice programs-- they can't serve all labor needs of the projects. And so we would be restricting some portions of labor from nonunion or union registered apprenticeship programs, and that would limit the opportunities for some of those folks who would want to apply and maybe come and work on, on these projects. I don't want to reiterate what most people have said ahead of me. For sure, prevailing wage laws. We have studies. We can prove this-- do, do increase cost by about, on average, 10% across the country. So it would, it would potentially add some cost to those-- these projects, which, which would offset the TIF value that would be in there, but. I won't-- everything else that I've got here was said by other folks in front of me. So I'll just answer any questions, if you have any, from the committee.

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

J. CAVANAUGH: Thank you, Chairman. Thanks for being here, Mr. Rogert. So, OK. You're saying that "and" that-- disqualifies for the federal section of the statute?

KENT ROBERT: Yep. That, that--

J. CAVANAUGH: That defines--

KENT ROBERT: --that (iii) is a union apprenticeship.

J. CAVANAUGH: OK. And if that were changed to an "or," would that solve all of your concerns or just--

KENT ROBERT: It'd solve that concern.

J. CAVANAUGH: Right. And the-- so you-- you're representing the Home Builders and-- what was it, ABC?

KENT ROBERT: Just ABC: Associated Builders and Contractors of Nebraska and South Dakota.

J. CAVANAUGH: OK. And they have their own apprenticeship program.

KENT ROBERT: We do. And then some of our members do as well. And some of the homebuilders are members of our association as well, yeah.

J. CAVANAUGH: And do you know how many folks are in that program?

KENT ROBERT: So I've-- will tell you that I'm pinch-hitting today. Our, our executive director who normally is here would have that data for you. And it's even in my highlights to talk about those numbers, and I don't have them, so I'll get them to you.

J. CAVANAUGH: Great. Thanks. Appreciate that. All right. Thank you.

McKINNEY: Thank you. Any other questions? No. Thank you for your testimony. Any other opponents? Anyone here to testify in the neutral?

AMBER PARKER: Hi. Amber Parker, A-m-b-e-r P-a-r-k-e-r. I noticed, just for clarification of everyone who's testified, the number printed out here was LB984. But the bill in is-- yeah, LB948. Just-- reliable communication permits progress. To get to the point, hearing this-- coming in, I actually didn't plan on testifying this, so I came in late. But I believe that there is areas where there has to be a balance. And I find a problem that if we're in such a desperation to throw together buildings in this state with-- if we're looking to undocumented workers coming over, coming over the border and where we already know that we've been warned by the federal government of United States terror cells. I think this is really something serious that people should be thinking about and talking about. This is not a political narrative. In my heart is that I want to see that our state is kept safe and that families will not be going into homes that start collapsing down on people and that the cost and the rate of these homes that people can't afford them. And so-- any grounds for any type of nefarious activities. And I think there are times where this State Legislature passes so many bills-- quite frankly, you guys are so stressed out. I mean, if it's over 700, it's-- I don't think that amount this year. But the point being that it's important to

keep Nebraska families safe. It's important to make sure when you're putting a building up, you're looking at it so that one day it could be a historical landmark, not something that could perhaps come crashing down. And if we get desperate and we don't have the right training and what we need-- the other question I have is, what kind of programs are we working with already? The low-hanging fruit of the people that want to be trained in these areas. What type of mentorship programs are we working with? And, you know, are we doing a good job within the high school levels in doing these things? We have college students. We have people in their 20s that think they'll never, ever be able to afford a house. People moving out of the state of Nebraska. Property tax is so high. And I know that it's amazing with the, the gifts and the skill sets coming forward. So I'm testifying neutral. I don't know enough on the bill, but I'm going to say that we must take this into consideration now because there's millions that are here undocumented and our own federal government has told us that we have terror cells. We need to be looking at these areas, who's building this, and vetting these workers. Thank you.

McKINNEY: Thank you. Thank you for your testimony. Any questions from the committee? Seeing none. Thank you. Senator McDonnell, you're welcome to come up. And for the record, we had online comments. We had four proponents, seven opponents, and zero neutral.

McDONNELL: Thank you, Chairperson McKinney. Thank you all for your questions. Kind of trying to pick up on some of the things. Of course, Senator Cavanaugh, as you stated, I would be willing to work, of course, with this committee and people that are, are somewhat confused with this bill or they have ideas on how we can improve on it. But one of the things they were-- that I think they were confused about was the idea of an apprenticeship program. Union or not, if you're registered with the state of Nebraska or the federal or both-- and there's-- we can get to those numbers X percent in the state of Nebraska. Senator McKinney had asked-- this is how serious they're taking this. They're professional. They're passionate about their trade. And they do it better than anybody else. But also, you're right. They are getting older. And the people that were here testifying today are an example of that. But they're also looking out for the next generation. You look at the, the Nebraska Center for Workforce Development and Education, you have the Project Reset. So people that are-- recently have been incarcerated. Trying to get them where you build up their, their soft skills. And then you get them on the job site. There's data going back over two and a half years now that 82% of those people are being successful right now on the job site. And we're adding to that every, every, every month. So we can

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get you those stats. But they're also looking at that next generation that's in junior high, high school that possibly their dream isn't to be an attorney. And I agree with Senator Lowe's comment earlier about attorneys, but. But let's say they, they don't have a dream yet, they don't know what their dream could be. And I, I just-- I got to-- they do these trades camps with the-- these high school kids. And I got to see one of the letters. They take them to different trades and, you know, learn about potentially becoming a plumber, electrician, ironworker-- which was left out earlier. But this person, she had wrote the letter. And she talked about her granddaughter. She had never seen her that excited in her life when she learned how to weld. And that just opened up a whole new path for her. So the idea of this bill, the need for the state of Nebraska going forward-- but I just want to make sure I highlight all the work these people are doing outside of this legislation. But they are the subject matter experts. But they are trying to give people a second chance at-- no excuses for what they did, but there's reasons. Now let's put that behind us and let's become part of the trades. Or for that young person, again, that doesn't have a dream, trying to give them a dream. So this is being worked on from a number of different angles. But I do appreciate all the people that testified, people that even testified in, in opposition. I will meet with them. I'm willing to listen, try and improve on this legislation-- of course, work with this committee. We all know the problem. How do we address it and what's the next step? So I appreciate your time.

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

McDONNELL: Thank you.

McKINNEY: That'll end our hearing on LB948.

LOWE: Thank you, Chairman McKinney and fellow members of the Urban Affairs Committee. My name is John Lowe. That's J-o-h-n L-o-w-e. And I represent District 37, which is Gibbon, Shelton, and Kearney. Housing is needed in Nebraska. Affordable housing is needed to help our businesses and to ensure young Nebraskans can fully participate in the American Dream. LB1165 attempts to accomplish this in a very simple way. What it attempts to do is make it easier for developers to build duplexes in cities of a metropolitan, primary, and first-class. This is done simply by requiring that these entities shall not have more restrictive regulations on duplexes-- duplex housing than in-- than required on single-family dw-- housing. This language is modeled off bills that were brought in Montana, which attempted to accomplish these same goals. I realize that this is a

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pretty short opening, but, honestly, this is a pretty short bill with pretty straightforward effort. With that, I'll be happy to answer your questions.

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

HARDIN: Use small words. What's it do?

LOWE: It just allows you to develop a duplex on a single-family lot.

HARDIN: OK. And--

LOWE: Smaller words?

HARDIN: That's really good.

LOWE: OK.

HARDIN: Thank you. And is it something that basically says the state has kind of a thumb in the back of county zoning on this, or what does that mean as it--

LOWE: It's not intended for that purpose. It's, it's intended to allow us to build multiple units, a, a, a, a duplex on, on a single-family lot, to, to help with our housing problem.

HARDIN: OK.

LOWE: It's not intended to be a thumb at our cities or--

HARDIN: So it's, it's not a requirement, per se?

LOWE: No.

HARDIN: OK. But it, it, it helps pave the way. I see. OK. Very good. Thank you.

McKINNEY: Thank you. Any other questions? No. Thank you. Are there any proponents?

NICOLE FOX: Good afternoon. Nicole Fox, N-i-c-o-l-e F-o-x. Representing the Platte Institute. Recent legislative sessions have seen the introduction of several proposals to address Nebraska's housing shortage. Many of the proposals have called for increased appropriations to the middle income and workforce housing funds. In 2020, the Legislature passed LB866, requiring cities in populations

over 20,000 to create housing plans to improve housing availability and affordability as well as establish goals for the land use regulations. And the Platte Institute supported legislation in this package. In 2020, the Mercatus Center submitted testimony to the Nebraska Legislature in favor of this same housing package and, in a follow-up policy brief, suggested that the state consider some of the following land use regulations: first, allowing for duplexes, triplexes, and fourplexes on lots zoned for single-family homes; second, permitting the construction of accessory dwelling units; and third, reducing lot size requirements. While the Platte Institute prefers to see decision-making occur at the local level, Nebraska's housing supply is critically low. When local regulations like land use restrictions interfere with the ability of the state to meet its significant and urgent housing needs, we need a proposal such as LB1165 to allow for the construction of duplexes in lots zoned for single-family h-- we feel that a proposal like this would allow for the construction of duplexes and lots zoned for single-family homes and that it would be helpful. Single-family home development makes up most of the rejis-- residential zoning across the state. This can be a barrier to increasing housing availability in more densely populated areas. For example, 80% of residential property is zoned for low-density, single-family units in Omaha. And under LB1165, any city of the metropolitan class, primary class, or first class cannot adopt zoning regulations for duplex housing that are more restrictive than their zoning regulations for single-family res-- residences. When local land use regulations limit population growth, local and statewide economic growth is inadvertently limited. This is happening in Nebraska. During the 2023 interim, the Plant-- the Platte Institute held weekly-- a week-long series of meetings across the state with the primary intent of discussing Nebraska's high property taxes. We visited Columbus, Kearney, North Platte, and Scottsbluff. In addition to meetings with the public, we met with local chambers of commerce and elected officials. Nebraska's workforce shortage, coupled with the lack of available housing, was a top issue that was brought up in each community that we visited. In 2023, four states overwhelmingly passed bipartisan proposals like LB1165: Idaho, Maine, Montana, and Washington. Like many industries, overburdensome regulations become barriers in our daily lives. In Nebraska, many local regulations are contributing to the lack of affordable housing in all price ranges and for those of all income levels. This lack of housing has impacted the ability to-- of communities across our state to attract and retain workers and graduates. I thank you for the opportunity to testify in support of LB1165. And we feel at Platte

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that it's time to start discussions around regulations when it comes to the housing crisis.

McKINNEY: Thank you. Are there any questions from the committee? Seeing none. Thank you. Are there other proponents?

JULIE HARRIS: Good afternoon. Thank you, Chairman McKinney. I'm Julie Harris, J-u-l-i-e H-a-r-r-i-s. I'm the executive director of Bike Walk Nebraska. I'm usually in the Transportation Committee. This is my first time in front of Urban Affairs, so it's nice to see your faces. And you may wonder why a transportation person is here talking about housing, but it's actually the bigger picture that I am here to talk about today, and that is land use. When we have more dense-- more density in our cities and towns, it is more beneficial for creating better active transportation, better biking, better walking, better transit in our communities. So while we have some concerns about state-level oversight into local zoning codes, we do just want to bring forward the concept that adding this additional density will help in other ways besides just the housing situation that we have, and that is with active transportation.

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

JULIE HARRIS: Thank you.

McKINNEY: Other proponents.

JASON THIELLEN: Good afternoon, Chairman McKinney and members of the Urban Affairs Committee. My name is Jason Thiellen, J-a-s-o-n T-h-i-e-l-l-e-n. And I am with Welcome Home. We are a nonprofit organization comprised of individuals, business-- businesses, financial institutions, and other nonprofits committed to partnering with our elected officials to make meaningful changes, nontaxpayer-funded meaningful changes, and improvements in the public policy arena to allow young families, first-time homebuyers, and future Nebraskans to own a home. We're particularly focused on improving the regulatory environment in our communities. Before I go further, I want to thank Senator Lowe for introducing this commonsense bill. We think we can all agree that housing is super important in Nebraska and has been for a long time. We've lacked tens of thousands of units-- specifically affordable units in our state. LB1165 can be a step in the right direction. We believe that preventing-- having unnecessary regulations from being adopted and implemented, including those that prevent the ability to build all types of housing inside of our cities and our neighborhoods, is good

policy. A recent study published by the National Association of Home Builders shows that government regulations account for 23.8% of the final price of a new single-family home and also is passed onto duplexes and other types of housing. Likewise, Governor Pillen often quotes a UNO study that says, in the Omaha metro area, regulations account for 32.8% of the costs of the newly constructed home. Whatever the number, you have to ask yourself, when presented with additional regulations or a bureaucratic fix where the final costs will be passed onto the homebuyer, is that cost delay worth keeping families out of some of the homebuying market? While the zoning regulations are a great place to start, I would encourage this group and Senator Lowe to maybe look at building codes. Each time building codes come up and you guys want to pass and add just another \$250, \$500, or \$1,000-- that's always what we hear-- that just gets passed onto the homebuyer and continues to increase the price of the home. Since 2000, the amount of regulations that have been added just to local building codes alone has significantly increased the price of housing. So it's not just a zoning issue. To that end, the National Association of Home Builders data, updated 2023, that states that, in Grand Island metro area, for every \$1,000 increased in price homes, 22 households are priced out of the market. In the Lincoln metro area, the number is 70 households. In the Omaha-Council Bluffs area, it's 435 households. Good intended but unnecessary regulations, price families, teachers, first-time responders, small business owners, and even public officials out of the home at \$250, \$500, or \$1,000 at a time. Starts to add up quick. Can't afford to allow current regulatory environment. We certainly can't afford any zoning regulations that would discourage building certain types of dwelling units on a lot of a single-family house. Thank you. Any questions?

McKINNEY: Thank you. Are there any questions from the committee? Nope. Thank you. Other proponents.

WARD F. HOPPE: Chair McKinney, members of the committee. My name is Ward F. Hoppe, W-a-r-d F. H-o-p-p-e. I'm a principal of Hoppe Development. We build affordable and workforce housing across the state. I'm here to testify on behalf of Hoppe Development, the Metro Omaha Home Builders Association, the Home Builders Association of Lincoln, Lincoln Chamber of Commerce, the Omaha Chamber of Commerce, and the Nebraska Chamber of Commerce. As Nebraska's policymakers work to increase the state's housing supply at the scale needed to meet current and growing demand, offering regulatory relief can help Nebraska homebuilders increase supply and offer more options for Nebraskans in need of affordable housing statewide. LB1165 presents a laudable step that will help homebuilders increase the availability

of duplex housing. I will note that, in counties where we build, many of our localities are pretty cooperative with what we want to do to have density and, and build out our affordable housing. But this policy direction will encourage some of the other localities that don't participate to look at these changes and take them on so that they're zoned for flexibility and give builders as many tools in the toolbox as possible. We note that the cost and availability of infrastructure are significant barriers to affordable housing across the state. This bill allows, in reality, us to build two units where one was before or where, where one was available. And do the math. Two times one on the same infrastructure means we get a lot more done. All develop is-- all development of housing and development of subdivisions is linear. What that means is we, we build out by the linear foot. A 50-foot frontage lot costs so much to build for the 50 feet. If it's a 100-foot lot, it's a-- it's twice the cost of a 50-foot lot to put in infrastructure. When you build-- are able to build duplexes on the footprint of a single family lot, essentially that doubles your capacity. That is-- on the same cost. So definitely, LB1165 helps affordable housing. It allows us to double the amount we can put on the same infrastructure. On a nationwide basis, owner-occupied duplexes are a definite trend nationwide. This bill addresses that trend. I want to thank Urban Affairs for continuing to bring policy that aims to help address our affordable housing issues in Nebraska and thank Senator Lowe for bringing LB1165 and LB1166 forward. Thank you.

McKINNEY: Thank you. Are there any questions from the committee? I have one.

WARD F. HOPPE: Sure.

McKINNEY: One example I was thinking of as you were speaking-- so the city of Omaha, for example, what if they make the argument and say that this change of-- in the law goes against their master plan? What would you say to that?

WARD F. HOPPE: I would say I don't read this law that way, number one. First of all, the-- this law says that-- the, the way I read it-- that essentially you can put a duplex on any place you could put a single-family unit, which, to me, means if the single-family lot today, that would be a duplex lot in the future has a 20-foot setback, that 20-foot setback still applies. If it has a 5, a 5-foot side yard requirement, putting a duplex in there is still on the 5-foot side yard requirement. All this does to me is it allows us really to double capacity on the existing infrastructure. Now, I

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can't imagine that, that the Omaha codes would be going that direction, or their master plan. I think it's quite contrary, from my experience.

McKINNEY: All right.

WARD F. HOPPE: But I, I don't know if that answers your question.

McKINNEY: It did.

WARD F. HOPPE: Huh?

McKINNEY: Yeah, it answered it. I appreciate it.

WARD F. HOPPE: OK.

McKINNEY: Yeah. Thank you.

WARD F. HOPPE: Any other--

McKINNEY: Any other proponents? No. Thank you.

KORBY GILBERTSON: Good afternoon, Chairman McKinney, members of the committee. For the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. Appearing today as a registered lobbyist on behalf of the Nebraska Realtors Association. I'm going to try not to repeat everything you've heard already, but. Talk about the fact that we hear a lot about affordable housing, workforce housing. What the realtors really try to focus on is appropriate housing and making sure that-- based on changes in density and giving each community what they need to be able to provide appropriate housing for people. We see this bill as one of those tools to allow that. And like Mr. Hoppe said, we don't think it impacts current setbacks and things like that. That was a major discussion when we were talking about this bill, so. I'd be happy to answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? Seeing none. Thank you.

KORBY GILBERTSON: All right. Thank you.

McKINNEY: Other proponents.

TODD STUBBENDIECK: Chair McKinney and members of the Urban Affairs Committee. My name is Todd Stubbendieck. That's T-o-d-d S-t-u-b-b-e-n-d-i-e-c-k. And I'm the state director of AARP Nebraska.

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84% of Nebraskans aged 45-plus tell us that staying in their home as they age, aging in place, staying in the lowest level of care is extremely important to them as they are getting older. What we also know is, in order to do that, they need a range of age-friendly housing options that accommodate their needs, including homes that are structurally and mechanically safe and accommodate people with disabilities. AARP has long supported the construction of missing middle housing as one solution to the need for more age-friendly housing options in the state. And missing middle refers to a class of housing such as duplexes and triplexes and townhomes. They used to be widely available in the United States but have now, in many places, been zoned out of existence. These missing middle housing options, such as duplexes, can provide an affordable, age-friendly housing options. We often hear a lot about the, the need for workforce housing as a tool of economic development in our-- both our urban and our rural communities. But a lot of people don't make the connection-- but that building more missing middle housing, like duplexes, can actually help open up more workforce housing. If communities don't have housing options that fall between that large single-family home and assisted living, then as people age, they will have no choice but to stay in that large single-family home even though it's not meeting their needs. Creating more housing options like duplexes will give older Nebraskans the ability to downsize into a more age-appropriate housing and free up that single-family home for a younger homebuyer. AARP Nebraska supports LB1165 because it would set new zoning standards across the state, cut red tape, and, we believe, allow builders the option to construct age-friendly duplex housing in communities across the state. Listen, I'm certainly not blind to the issues of local control that this bill arises. And I'm sure many of my friends who will follow me on-- as opponents will, will make that point. While I'm sensitive to those concerns, simply put, our state is facing a critical shortage of housing in both our urban and rural communities. We have reached a point where state action that creates a level regulatory framework may be necessary to help address this critical housing shortage. Commend the members of the Urban Affairs Committee for your ongoing efforts to promote diverse, affordable housing. And thanks, Senator Lowe, for introducing LB1165. Encourage the committee to support this bill. And happy to take any questions.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you. Are there any other proponents?

ABRAM LUEDERS: Chairman McKinney and members of the Urban Affairs Committee. My name is Abram Lueders, A-b-r-a-m L-u-e-d-e-r-s. I'm the

director of urban design for Omaha by Design, Omaha's nonprofit hub for people-centered urban design and policy. And I'm speaking in support of proposed LB1165. You know, as we've heard so many people say, we know that housing affordability right now is a crisis for families across the state. You know, in Omaha, where I hail from, new construction of starter homes, you know, they're going from, you know, \$300,000 all the way up to \$400,000. And existing homes that were starter homes 70 years ago, the competition is so tight that those prices are also unaffordable for many, many families. It's a complicated problem. We know that supply and demand are real forces and we need more housing. And not just that, we know we need more housing types because-- as it's been alluded to previously-- for decades, we've had this system where, because of zoning regulations as well as the financial system we have and developmental practices, we have a housing market made up of large single-family homes and large multifamily developments and not a lot of that missing middle housing in between that used to provide so much workforce housing in our cities. And this is the problem that Neb-- the Nebraska Legislature recognized when it passed the Municipal Density and Missing Middle Housing Act in 2020. And this incentivized cities to create housing affordability action plans and to pursue zoning reforms. So LB1165 really just takes another step forward by requiring cities to permit a modest form of middle housing with a duplex on any land is zoned for single-family homes. So this is something that-- again, it creates an incremental but significant boost to the amount of housing that could be supplied on the same amount of land. And as people have pointed out, this doesn't mean it's unregulated, doesn't mean that it's incompatible. Cities would still be able to regulate things like setbacks, things like block coverage. And so, really, the character of neighborhoods isn't being altered, but the number of housing units they can contain is what's being changed. And the concerns over local control-- although it's easy to understand, it's important to note that the power to adopt zoning regulations in accordance with the land use plan, this is a power that the state of Nebraska has granted to cities. And it is appropriate for the state to set minimum standards for this while allowing for ample room for local tailoring of those zoning rules, as this bill does. So LB1165 as a commonsense measure, and it would open the door to new housing that we really need.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you. Any other proponents? Are there any opponents?

DAVID CARY: Good afternoon, Senator McKinney and members of the committee. My name is David Cary, D-a-v-i-d C-a-r-y. I am director of

the Lincoln/Lancaster County Planning Department, and I'm here on behalf of the city of Linc-- Lincoln to provide testimony in opposition to the introduced version of LB1165. I want to thank the members of the Urban Affairs Committee for your time today on this matter. LB1165 as written provides state authorization to regulate zoning at the local jurisdictional level. The concern Lincoln has with this legislation is the potential loss of local control over the regulatory options and zoning activity by limiting the regulatory authority of municipalities without local context and miss-- and understanding. The city of Lincoln currently has efforts underway to address affordable housing issues. First, our community adopted the Affordable Housing Coordinated Action Plan as part of the Comprehensive Plan in 2020. Since then, several recommended zoning updates and housing projects have been initiated from that plan. In fact, under Mayor Gaylor Baird's administration, we have now incentivized the creation of over 1,800 new or rehabilitated affordable housing units since, since 2020, putting us well ahead of schedule to meet our ambitious goal to create 5,000 new or rehabilitated affordable housing units by 2030. Second, Lincoln's current zoning code does allow for duplex housing in all districts that allow a detached single family. These are two examples of successful ways that local municipalities are able to address housing on their-- in their own communities. The city of Lincoln believes it is important to allow local jurisdictions to develop and enforce their own zoning regulations related to housing and development projects. Lincoln's suggestions at this time are not to advance LB1165 this session or to revise the bill to require further study by local jurisdiction on this topic. Any findings can then be reported back to this committee for further discussion. I thank you for this opportunity to discuss this today. I'd be happy to answer any questions that you might have.

McKINNEY: Thank you. Are there any questions from the committee? I have one. What should the state do-- because I think Senator Lowe brought this because I believe there's a feel that cities aren't as proactive as, as they should be to, you know, address the zoning issues and allow for different housing to be placed inside of communities. So how do we address the lack of, you know, municipalities being proactive in doing so?

DAVID CARY: Yeah, and that's part of the thinking as we were sitting in the audience thinking about this. I think that's the-- an obvious question that we need to try to answer as a, as a group. Part of it is-- I mean, I-- look at, look at Lincoln's experience where we are allowing duplex housing in our-- all of our residential zoning

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districts. Perhaps the way to start would be to maybe pinpoint more on where those localities are that do not allow that to happen. I think it's important to be clear that the way that this bill is written is that it's saying that cities cannot regulate duplex housing on those single-family lots, so they-- we wouldn't be allowed to have different setbacks or lot sizes if there was a duplex versus a single family. So that's part of the concern that we have. So perhaps focus on those localities that aren't allowing duplex housing at all or in certain areas of their districts, zoning districts. The other thought is that we do already have-- and I think it's been successful-- where the regulation has been from the state to create affordable housing plans. I think a lot has been accomplished in many communities through that effort. And perhaps there's a way to have this discussion in that context instead of a separate legislation.

McKINNEY: All right. Thank you.

DAVID CARY: Sure.

McKINNEY: No problem. Any questions? Nope. Thank you.

DAVID CARY: Thank you.

McKINNEY: Are there other opponents?

ERIC ENGLUND: Good afternoon, Chairman McKinney and senators of the Urban Affairs Committee. I am Eric Englund, E-r-i-c E-n-g-l-u-n-d, assistant planning director for the city of Oma-- Omaha. The city of Omaha is in opposition to LB1165 regarding proposed regulations with duplex housing types. While the city recognizes the great need for additional housing units and especially affordable units across communities throughout the state, we believe this is a zoning matter that is best suited to be addressed at the local level. In December 2022, the Omaha City Council approved the Housing Affordability Action Plan for the city of Omaha. This important housing plan was developed by the Planning Department, involving all city departments and a consultant hired by the city. As you are aware, this was a result of state LB866 as well as Omaha's need for a further in-depth look at housing. The plan identified five goals along with 29 supporting strategies for housing. There are currently multiple teams working on implementation of this extensive housing plan, including upper management, the planning department, as well as representation from the Mayor's Office and advisory committees, which includes multiple members from the committees such as developers, architects, nonprofit groups, among a wide range of individuals that work with

housing in some capacity-- approximately 60 individuals in total, including several who testified in support of this bill. Two of the advisory committee groups have been looking at duplexes, ADUs, and other missing middle housing types about potential zoning code changes that Omaha could pursue and what other cities have done to open up and allow more housing, both add an affordable option but also to increase the housing stock in general. There are several benefits of duplex and accessory dwelling units, including respecting the look and scale of an existing neighborhood, supporting efficient use of infrastructure, providing housing that responds to changing family needs, smaller households, and increasing housing costs, providing accessible housing for seniors and persons with disabilities, and offering an environmental-friendly housing choices with less average space per person and smaller associated carbon footprints. After extensive dialogue and work with these groups, Omaha Planning prepared a zoning code amendment that was recommended for approval by a vote of five to one by the Omaha Planning Board on December 6. This amendment would expand these housing types throughout the city and our extraterritorial jurisdiction. The amendment would permit ADUs outright in ten residential, office, and commercial districts while allowing them with approval of a conditional use permit-- which is Planning Board approval-- in ten other districts. This amendment will be on the Omaha City Council for a public hearing on February 27, 2024. To reiterate, the city of Omaha is actively working on implementation of housing solutions identified in our housing plan and want the ability to maintain local regulatory control over such zoning matters. Thank you.

McKINNEY: Thank you. Are there any questions? Senator Hunt.

HUNT: Thank you, Chairman McKinney. Thanks for being here today. This question's kind of direct, but is there anything in LB1165 that could mess up the housing plan that Omaha is putting together? And I, I, I was also wondering-- I asked this earlier of someone else-- can you email us a copy of your testimony? Because--

ERIC ENGLUND: Absolutely.

HUNT: --sometimes I have a little ADHD and, like, I'm listening and I'm thinking--

ERIC ENGLUND: It's a lot, yeah.

HUNT: --about something you said and I miss something else. And it's like, OK. I want to read that again.

ERIC ENGLUND: Sure. Yeah, I can follow up.

HUNT: Thank you.

ERIC ENGLUND: Yeah.

HUNT: Totally into local control. I think I have a really strong record of, like, basically supporting local control in Nebraska. Don't want to mess up Omaha's plan since it sounds like there's a plan happening. If this bill passes, what's the harm?

ERIC ENGLUND: I guess part of the biggest concern would be that duplexes-- or, in the next case, ADUs-- could be built and developed in neighborhoods that are homogenous, have been there for decades, consisting of single-family housing-- without any, you know, process, public hearing, you know. And so we believe by requiring a conditional use permit, that is not very extensive, OK? So right now, that would be for ADUs as well as certain types of duplexes in every residential district. So either permitted outright or with a conditional use permit. The conditional use permit, it takes-- basically, it's one month of extra time. The cost is very similar to the application fee that is laid out in this bill. It's, like, \$324 for a conditional use permit. I know that this-- what the next bill ADU-- you know, I think it's, like, \$250 that you could charge. You know, but it does allow notification to neighbors. It allows for that testimony in front of a board. The plans that would be required to submittal are, are not more than what would have to go through a building permit. So, really, we believe, you know, maintaining that conditional use permit for those-- really, those neighborhoods that do not have the existing missing middle housing or the apartments and, you know, that have been there for decades. And it, it's really-- it's trying to preserve and prevent the concern of, you know, dozens of those neighborhoods in Omaha.

HUNT: OK. What are some neighborhoods in Omaha that you think would be impacted by that? Like, are you thinking of some historic neighborhoods or-- how, how would this impact neighborhoods with, like, historic designations, I guess?

ERIC ENGLUND: Well--

HUNT: [INAUDIBLE] ignorant question, but.

ERIC ENGLUND: --you know, a lot of the historic neighborhoods would probably have zoning that allow these missing middle housing types already. There could be a few, though.

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HUNT: I mean, I represent Dundee, which is, like, a, a classic, historic Omaha neighborhood with, with constituents who have extremely strong opinions about what's going into those neighborhoods.

ERIC ENGLUND: Yes.

HUNT: And it's not even NIMBYism, to an extent. It's just, like, we want to preserve the character of our community, I guess. And, you know, to me, I get that. To me, it's also problematic in a lot of ways. But is there, like, a historic designation or something that could be--

ERIC ENGLUND: No, I, I, I don't think so. The, the vast majority of Dundee would already allow this missing middle housing. Usually it's your setbacks and regulations that would have to get worked out and just some of the suburban nature of our code. But there would be other neighborhoods that-- to the extreme example: Fairacres. OK. I know that's, that's not--

HUNT: Let's go extreme. Tell me what--

ERIC ENGLUND: Yeah. Let's go extreme. But that, that would be one example.

HUNT: How do you think Fairacres people think about this?

ERIC ENGLUND: Yes. But that's just an example of, you know, if all of a sudden you could have a, a duplex just by right and submittal of a building permit.

HUNT: OK.

ERIC ENGLUND: I think there would be very vast--

HUNT: We'd hear from Senator Ricketts for one thing.

ERIC ENGLUND: Yeah. Vast, loud opposition. That's just one example. But there's, there's dozens of others throughout the city, whether it's in our older portions or, or more suburban areas.

HUNT: OK. Thank you for answering my question.

ERIC ENGLUND: Sure.

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McKINNEY: Thank you. I have a question because I think I was at a council meeting in December and there was a conversation about, I think, Walnut Hill and the reservoir.

ERIC ENGLUND: Yes.

McKINNEY: And the--

ERIC ENGLUND: I was up there in the hot seat, yes.

McKINNEY: --potential of a apartment complex being built there. And one of the things that stuck out to me, and I really didn't like-- it-- like from the opposition was, yes, we think we need more housing. Yes, we think apartments are cool, just not in our neighborhood.

ERIC ENGLUND: Of course.

McKINNEY: And Omaha is landlocked unless you start annexing more parts of, of the state. It's, it's, it's, it's landlocked. And we're facing a housing crisis and costs are going up and the world is changing. What do you say to those people that say, we like those ideas; just don't put it in our neighborhood? Because we're-- where, where are these things going to go?

ERIC ENGLUND: Absolutely. I, I see it every week, every month. I speak for Omaha at the Omaha Planning Board. So a lot of those cases, of course, go on to city council. And every month, there are those projects. And, yes, there have been huge numbers of apartment projects that have been coming forward. And-- so I desperately recognize the need for missing middle housing types. We can't just have single-family homes and then multifamily, you know, complexes. And that is the tricky part, though. And, and-- you know, you're you're not going to have somebody that comes out against the, the, the zoning code, but it's when a project becomes real in their neighborhood. And the-- and there is a lot of passion. And we are trying to, to enable some of that dialogue in some of the zoning code changes that we're making. And, and-- but yeah, the Walnut Hill was, was a great example. It's just fear of the unknown. And, you know, it's challenging. Omaha is also starting a process of updating our comprehensive plan. So over the next couple of years, I think there's going to be, a lot of important dialogue regarding housing, among many other topics. But really, it's trying to break down those barriers and, and the fear of what other housing looks like. Now, that being said, I am here, you know, as, as an opponent to this

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bill, but just trying to keep some of that local control and to have, you know, a process in for those neighborhoods that really, you know, do not have this housing currently.

McKINNEY: All right. Thank you.

ERIC ENGLUND: Welcome.

McKINNEY: Yeah. Any other questions? No. Thank you.

ERIC ENGLUND: Thank you.

McKINNEY: Other opponents.

WAYNE MORTENSEN: Thank you, members of the Urban Affairs Committee. Wayne Mortensen, M-o-r-t-e-n-s-e-n. I'm here on behalf of NeighborWorks Lincoln, where I serve as the chief executive officer. And surrendering a bit of my affordable housing developer card, I think, today to share that NeighborWorks Lincoln has been doing 40 years of affordable housing in the community. And recently, as a way to overcome increased [INAUDIBLE] construction costs, we have done exactly this. In the packets that are being handed out to you, we showcase three projects in the latter pages of exactly this kind of project, from a single-family lot to a two or three or even four units development. We wanted to share those with you because the reason we're here today is to just share a note of caution before the state enforces its own zoning codes on the 34 Nebraska towns and 1.2 million people. These are not easy projects. In fact, they are very difficult to design in a way that does not aggressively infringe on the privacy of their neighbors or turn their front or backyards into improvised parking lots. Side-by-side duplexes are especially difficult on families, as outdoor ownership is often blurred and sound and vibration transmit sometimes rather easily through party walls. All these issues become more pronounced if-- or I would even say "when--" the builder is either apathetic to their context or simply trying to build inexpensive homes. Frequent and significant complications will happen in each of those 34 codes-- 34 towns when a universal standard is applied carte blanche. Historic neighborhoods-- I don't mean to counteract my previous testifier-- but historic neighborhoods will have a particularly difficult time with this requirement because their historic status is based entirely on the preservation of their form and character. And you could potentially see historic neighborhoods lose access to critical resources like the national preservation and historic preservation tax credits. We spend months before we do projects like these, working with neighbors,

neighbors before the dirt starts flying because forcing these projects onto unsuspecting neighborhoods can be profoundly disenfranchising. This can take the form of anger-- sometimes projects are vandalized; retreat-- neighbors of adjacent properties often relocate; or apathy-- in which case, the community kind of shuns the new owners or renters of the project. So we proactively cede the neighborhoods for the benefit of our clients who succeed only as part of a community. These places will-- to avoid the requirements that the state is implementing, you'll see many municipalities potentially increase their single-family requirements to avoid having to have duplexes in their communities. That will mean that these communities will ostensibly be downzoning themselves in an era where density and innovation are critical to both sustainability and affordability. Instead of mandating zoning, we would encourage the state to approach this topic more persuasively, such as the drafting of sample design and zoning guidelines that communities can amend or adopt outright. Allow communities to exempt certain areas or neighborhoods if necessary. We would suggest no more than 25% of their footprints. And do not make the zoning changes mandatory, but rather incentivize them by providing access to state funding sources only to communities that have revised their zoning to allow for these types of uses. Innovation and density has never been more important for the state of Nebraska, which is why we have to get this right. The NeighborWorks Lincoln team is happy to help however it can, but cannot support the passage of the legislation as drafted.

McKINNEY: Thank you. Are there any questions from the committee? No. I guess maybe a comment, might be a question. And you mentioned histor-- pre-- preserving historic neighborhoods. One part of me understands that, but another part of me thinks about, what has been the historical demographic of those neighborhoods and why are we preserving such neighborhoods?

WAYNE MORTENSEN: Sure. Well, I mean, nationally, you've got-- within the region, you have several African-American and Latino communities that are on the National Register of Historic Places-- 4th and Vine, for instance, in Kansas City. If such a bill was assigned and blanketed over that district, it would also potentially be threatened by the requirement to adopt these new types of housing standards.

McKINNEY: No, I, I understand that. I guess what I'm struggling with is everyone every year since I've been here has ran around and said that we have a affordable hou-- housing crisis. We have a housing crisis. We need to do something about it. So it's hard for me to

listen to that and say yes but then also listen to the, but we need to preserve these neighborhoods.

WAYNE MORTENSEN: For sure. So I think a great example of that is that there's a neighborhood in Lincoln called Witherbee that is predominantly white, predominantly affluent, predominantly single family. And they're the ones that always show up and oppose apartment projects or duplexes. But we've advised them in the last few years that they need to start working more proactively to identify corridors through their neighborhood or parts of their neighborhood around institutions or other parts where they would be willing to accept increased density. Because we're not going to ever achieve the goals that we need to as a city by allowing neighborhoods to opt out of the shared responsibility for providing affordable housing. We're just arguing that there's a process that's needed in order to place these facilities and these new projects into neighborhoods in a way that doesn't feel like the neighborhood lost or was conquered by affordable housing, but rather they partnered and they created something they're excited about.

McKINNEY: All right. Thank you. Other opponents.

DON WESELY: Mr. Chairman, members of the Urban Affairs Committee. For the record, my name is Don Wesely, W-e-s-e-l-y, D-o-n. I'm here representing the greater Nebraska cities, which are Kearney, Grand Island, Hastings, Aurora, Lexington, Minden, and Holdrege. They've got some testimony they wanted me to read, but I think I'd rather talk about my experience as mayor and why I see this proposal and some of the other affordable housing proposals as being unfair to lower income and older neighborhoods. As mayor, I came into office-- and we were finding in these older neighborhoods more and more slip-ins, duplexes, sometimes fourplexes coming into these neighborhoods and changing their character. And it seemed like to everybody that's the solution to the affordable housing: getting into these older, poorer neighborhoods and sticking more of these-- duplexes in this case; in other cases, even bigger units. And the problem is, and what the GNC talks about, is these older neighborhoods have infrastructure problems. Parking is a big problem in some of these neighborhoods, and, and the sewer system, and what have you. And that's why allowing change in those older neighborhoods should go through a local process where the city knows we can handle it, we've got the parking enough for more people, we've got the sewer system that can handle it. Those kind of retrospective decisions are best left at the local level. But we're-- and answer to your point, Senator McKinney, what can we do about this housing situation? Well,

let's look prospectively. What about these new neighborhoods? If you talk about density, older neighborhoods are more dense. It's the newer neighborhoods that are not. Also, if you take a look at some changes that would make them more dense, people that would buy in them would know this is the situation. You-- the city would know they've got the infrastructure. Let's flip this thing, thing around. Instead of putting, putting the burden on older, poorer neighborhoods, let's talk about new neighborhoods and how they can be more committing to-- accommodating to affordable housing. And I haven't had a chance to talk about that idea with the GNC or the League of Municipalities, but that makes more sense to me on my own personal experience level. And we did make changes when I, when I was mayor. We made it harder for these slip-ins. And those neighborhoods went from deteriorating to improving and rebuilding and getting through what were tough times into better times. And so I think we have to flip some of the discussion and talk about going back in time and telling people that have lived in the neighborhood and, and-- that you're going to have to just take it. We're going to make changes. They didn't know that was coming, the state especially coming in and making those changes to them. But if we talk about prospectively what can we do, we have a much better chance of, of having people accept and know what awaits them. So that's my suggestion. It's for both this and the next bill.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you.

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. I'm here representing the League of Nebraska Municipalities. And I truly do not want to repeat the testimony that you've heard before from the opponents. We just want to say, yes, we love local control. I don't think that's a big surprise. But we really feel strongly that the best decisions are made by the local communities because they know those communities best. I was very encouraged that several testifiers, both for the proponents and the opponents of this bill, mentioned the Municipal Density and Missing Middle Housing Act. I think that's really a success story for this committee and cities and the league. We all work together to put that act together as sort of a compromise on affordable housing that was passed in 2020. And as the members of this committee know, every two years, all cities with a population above 20,000 come before this committee and they tell you about what they're doing to increase affordable housing in their communities. I've read all those reports. They are on the Legislature's website if you'd like to review them again. And I will

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tell you that there was progress made every year in these communities to make duplexes, to make ADUs, to make affordable housing more accessible in their communities. And let me tell you, our cities know that housing is a problem. We know it is. We hear about it constantly. It is critical for municipalities to grow. They understand that. They're not trying to impede growth. I want to add one other thing that has been mentioned but not as much. In the Municipal Density and Missing Middle Housing Act, in addition to the reports that you get every other year from these municipalities, starting now, Jan 1, 2024, these communities have had to put together an affordable housing action plan. So these plans, in some cases, are, like, 30 days old because they just had to file them January 1 with this committee. So I guess what I'm recommending is let's take a look at those plans. Let's see what their housing action plans are. I appreciated what NeighborWorks Lincoln said. Let's try to maybe find some incentives to help them even go further along. But state mandates are just not something that we can support at this time. As always, the league wants to work with this committee to come up with a solution to move these ideas forward. So thank you for your time. I'm happy to answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you.

CHRISTY ABRAHAM: Thank you so much.

McKINNEY: Are there any other opponents?

AMBER PARKER: Amber Parker, A-m-b-e-r P-a-r-k-e-r. The reason I'm an opponent on this is because I believe that there is thousands of people that, if they could be at this hearing, they would like to be at this hearing. And I want to share that I think we do have to address the issue of what we have and families finding homes. But I'd be interested to know on the demographics who's doing the study and who's bringing that data forward to tell us that there's a housing crisis. Because you know what? I have a great friend who's told me that they're trying to help some people in Omaha. And the cost is so expensive and everything going on. But here's the thing. I was aware that-- I, I can't even think what year-- but when Biden came into the White House and stuff, they were talking about making our neighborhoods-- putting apartment complexes and stuff. And I think that there's right now, like, metaphorically a war-- a class war going on that's not being discussed here, and I'm going to call it out. Because right now, it seems to me that-- I'm questioning, did Ricketts strike a deal here and say, hey, if you guys put forward an

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amendment to take away the historic side of this, you know, us and these certain politicians are exempt from it? But then these single-family homes and the newer homes that are maybe in the \$170,000, \$180,000 range or maybe underneath that, then what's going to happen there? Oh, well, they're paying more taxes. We're in an inflation. Families are hurting. This is something that's not being discussed. But then on the other side, they-- there's people that play that dynamic then to make it a race war thing and make the people look bad. But they are the ones that are bringing in the division because they're exempt from it. But then they bring a persecution upon other people and upon the community-- in this case, wanting to have the whole state to have zoning laws, which, I have to mention-- and this is sharing a lot in an-- a small amount of time. But Hawaii, what happened to Hawaii? 15-minute cities. I know Omaha is talking about 15-minutes cities. We have to understand that there's a lot of things that are being sold. It sounds like the deal has been struck to once again put it upon the taxpayers and the burdens of even the older-- the elderly people that may have paid their homes off. And they don't want a duplex right in their area because it devalues their property. But there, there, there's a war on all sides, and that's not being communicated because-- how this is going to affect them and what's going on because they now are set in a, a competition now with somebody else to where their property value could go down, what, \$75,000? Versus another one where they happen to be build out and the duplexes and where they were at or their rentals that are going on in this area. And I think this is important to address because it's not fair to make it look like this is a good thing. And, like, if Ricketts-- who's now a United States Senator-- if he's exempt from this, and other politicians. And they tried to do it with the prison and people stood up. And, you know, we, we care about properties and everybody. But I'm concerned who it's going to go to because Biden opened the borders and we have these people-- and he was behind all these apartment buildings being built. And I don't think it's going to go to the people that need help. And I think a study is important to have on this bef-- and, and, and leave it to the local side of things. Oh.

McKINNEY: All right. Thank you.

AMBER PARKER: Thank you.

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

AMBER PARKER: Thank you.

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McKINNEY: Any other opponents? Anyone here to testify in the neutral?

GWEN EASTER: Hi. I'm Gwen Easter. Do I need to say my address?

McKINNEY: No, just your name and spell it.

GWEN EASTER: OK. Gwen Easter, G-w-e-n E-a-s-t-e-r. You know, I wasn't-- I didn't come here to speak on LB65 [SIC]. But just sitting here and listening-- you know, I'm, I'm, I'm just in a neutral place because, at the same time, I know that our community needs housing. I'm not totally sold yet on the idea of these complexes because I, I was sitting back thinking about a meeting I was just in Wednesday night in our neighborhood associations. And it's a-- were predominantly black people in this meeting. They live in north Omaha. And they were-- one young lady talked about a-- I think it's something like a fourplex or something. It's not very big, but-- was put into their neighborhood. It's a store-- you know, I think they got some kind of beauty going on there or something. I can't remember exactly her words. But she said that they wasn't even asked about it. All of a sudden, this-- there was this-- this building was just there, and how it's blocking. The, the other thing that I thought about in the meeting is that there was a, a representative-- I believe he was from the city. And he had put up a picture of, of all these dots on a map showing all these developers that were from out of town owned much of our community. And over here, he showed, you know, local people weren't hiring. And so, you know, that kind of bothers me too because you wonder who we're going to end up with these lots. The other thing that I felt that-- and I believe he was a city offi-- a city official when I say this. He was asking-- he, he was saying that the city had got a certain amount of money. And all the-- I can't remember exactly the amount. But they-- there are these 20 lots, basically, that's there. And they want to get them dirt-- get them ready for build-- to build on. And he talked about these developers. And my question was-- to, to him was, it sounds like you want us to take this money and use it, but we don't, we don't know what will-- what'll-- what will come about. How would the-- how would we as a community benefit? And why can't the developers take their own money instead of-- I think it was, like, \$30,000 or \$7,000 for each one or something like that, but-- and fix it-- fix up the lot if they want to buy it and get it ready themselves. And I was sitting here listening to the gentleman talk about, you know, people not being-- you know, in most communities, they, they ask their-- ask the people that live there if they, you know, what their input is. But in north Omaha, we're ignored a lot. And plans are put together. So I would just say, you know, I'm not against this, but I would, I would

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really like it if you all just checked more into things before anything is, is, is allowed because-- I have a lot myself. I could build a, a complex, but also-- I mean a duplex-- you know. But I also would like to know-- make sure that, that these are large enough comple-- you know, duplexes because-- you know. I don't know if they're one or two, but we have families who need a little bit much-- like, three or four bedrooms, you know what I mean? So I just want it all makes sense if, if they're going to do something.

McKINNEY: All right.

GWEN EASTER: Thank you guys.

McKINNEY: Thank you. Any questions? No. Thank you. Anybody else here to testify in neutral? No. Senator Lowe, you're welcome to come up. And for the record: on LB1165, there was five proponents, one opponent, and one neutral on online comments. Thank you.

LOWE: Thank you, Chair McKinney and for everybody else here that got into this discussion today. I'm going to guess this is not consent agenda material. Chairman McKinney, you brought up NIMBY, not in my backyard. And that's what a lot of this is. And that's what a lot of zoning is. They try to put-- pla-- building in, in certain spots to-- so everybody's happy. Well, when-- we had a hearing or a, a meeting earlier this year with, with NIFA, and they said that Nebraska right now is short 200,000 housing units. That's the size of Lincoln. We have a problem going on. That's what we're short right now. When you look at building in these lots, you try to maximize your profits. So you're not going to build a duplex, just an average duplex in a, in an expensive neighborhood. But the lot costs too much. You couldn't do it. It wouldn't cash flow. You'll build a duplex that fits the neighborhood. And that's what I think we're thinking about here. And we, we hear a lot of sky is falling when we're here at, at, at these hearings-- that if you do this, this will happen. I think if you look in the long run that those things rarely happen and that common sense takes over-- and-- I-- a lot of the opposition, I agree with on most everything. And I'm glad they came and testified here today to, to get me straight and and to maybe think about what we're doing here. But we need to continue this conversation. And maybe we should have had my two bills up as one bill because I believe we're going to have the same testifiers at the next bill and we could have just knocked out two at one time. But with that, I'd close.

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McKINNEY: Thank you. And that'll close our hearing on LB1160-- well, are there any questions? No. All right. That'll close our hearing on LB1165. And we'll move on to LB1166.

LOWE: Thank you, Chairman McKinney and fellow members of the Urban Affairs Committee. My name is John Lowe. That is J-o-h-n L-o-w-e. And I still represent District 37, which is made up of Shelton, Gibbon, and Kearney. LB1166 is another bill that I'm bringing this session to look at the issue of housing in Nebraska. LB1166 requires municipalities to adopt, adopt zoning regulations that allow a minimum of one accessory dwelling unit by right on a lot or parcel that contains a single-family dwelling. Accessory dwelling units are defined as a self-contained living unit on the same parcel as a single-family dwelling of greater square footage that includes its own cooking, sleeping, and sanitation facilities and complies with or is otherwise exempt from any applicable building code, fire code, and public health and safety regulations adopted by the municipality. "By right" is defined to mean that there will not be-- there will not need to be a public hearing, a variance or conditional use permit, special permit, or special exemption, or other special zoning requirements beyond the determination that the land meets applicable zoning requirements. Much like LB1165, this bill is based on concept, concepts that have already been tried in Montana, a state facing similar housing challenges that we face here in Nebraska. With that, I'd be happy to answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you. We'll welcome up any proponent testimony.

NICOLE FOX: Hello again. Nicole Fox, N-i-c-o-l-e F-o-x. Representing Platte Institute. According to the Mercatus Center, in 2023, over 200 bills across the country were introduced relating to housing supply, and 15 states passed one or more housing reforms. As a result of the interest in housing supply reforms, they authored a policy brief with 18 options within four categories for state legislatures to consider: limiting local regulations, as we're discussing today; but also doing things like streamlining permitting; improving legal frameworks; and updating construction standards. These options are demonstrated to have made it feasible across the country to increase state housing inventory. The permitting of the construction of accessory dwelling units was one of those local regulations suggested not only in the policy brief but also specifically for Nebraska, as I indicated in my LB1165 testimony. Three states overwhelmingly passed bipartisan proposals like LB1166: they were Montana, Vermont, and Washington. While Nebraska needs more housing at more affordable prices, prices,

no one wants it to be built near them. NIMBYism frequently leads to local restrictions to be put in place, and the result is that too little housing gets built. The two bills today restore rights to property owners. They transfer some control over what gets built from local governments to individual property owners, allowing the housing market to better respond to increases in demand for specific types of housing while approving affordability. I do believe that builders respond-- do monitor housing trends. LB1166 defines what constitutes an accessory dwelling unit and directs municipalities to adopt zoning regulations that allow a minimum of one ADU on a lot or parcel containing a single-family home. The bill provides a set, a set of standards that municipalities must adhere to in their zoning regulations. However, they are also free to adopt regulations that are more permissive. Permitting ADUs gives homeowners a right to build on their current property, where it may be used for either extra income or to house a family member. Research indicates that several demographics make ADUs an attractive-- an attractive option. An aging population has increased interest in ADUs. Communities with significant student and immigrant populations have seen demand for ADUs as solutions for lower cost renting-- rental housing options and intergenerational housing. Thank you for the opportunity to testify on LB1166 today. I urge this committee and the rest of the Legislature to begin discussions addressing the regulatory environment impacting the affordability and supply of housing in Nebraska while creating a culture of YIMBYism. And with that, I conclude my testimony. And happy to take any questions.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you.

NICOLE FOX: All right. Thank you.

McKINNEY: Other proponents.

JASON THIELLEN: Chair McKinney and other senators. Jason Thiellen, J-a-s-o-n T-h-i-e-l-l-e-n. At the risk of going through my spiel on the last bill, I'm going to-- thought I'd just put some food for thought. And I think this maybe helps with some of this discussion. I, I don't disagree with the, the opponents at all. I'm torn a little bit-- we're supporting LB166 because I don't-- or, LB1166, because I'm not entirely sure how we get cities to start doing some things without some pressure, from the state, although maybe adding ADUs as a, as a permitted right is where it's at. But I think it's a start to actually start hammering on some things that really make a difference. So, you know, as it relates to redevelopment, I think

these are, these are good opportunities to allow for those things to be permitted by right. I do believe in the neighborhood process, where you do go through and, and have those conversations with your neighbors. And so I think that can be done on the individual level. More importantly, I think it creates opportunities for new subdivisions. And areas that have zoning regulations allow you to be a little more creative with the diversity of housing you have. So you're planning these subdivisions out with the ability that I know if I live in this section of neighborhood, if I want to add a ADU by a permitted right, I can. I choose to live there for that reason. Same thing if I-- when I have an opportunity to have single-family houses next to duplexes next to fourplexes, I know that going in instead of coming in and having it part of a neighborhood that's maybe always been in a certain way, I think you need to think about why we're where we're at. Housing built 20, 25 years ago b-- is the new-- is the affordable housing. New housing today built will be affordable, or should be affordable, in 25 years from now as people step up and move out on the starter home market. Why we're where we're at is in the recession of '08 through '13. We lost five, six years of not only building affordable housing, but we also lost an entire generation of tradespeople. And we have done a very good job of telling high school kids that if you go into a trade, you're not worth anything. So if you want to make an impact on trades, start forcing schools to start bringing those programs back and fund them appropriately. The market. One thing I think-- when you think about unattended-- unintended consens-- consequences of bills such as this and not realizing how much the market affects it, we still have an issue in the Midwest, in particular, this idea that I go, have-- if I don't get a three bedroom, two-and-a-half bath, and three-car garage, that's not enough for me even though I can't afford it. And so this idea of affordability has to be a mindset that the new, affordable starter housing is some sort of attached housing or stacked housing, and regulatory environment needs to be open to that. The building code side is huge. I mentioned that last time. That is a low-hanging fruit that if we could look at the building codes and the efficacies of codes that have been added in the last 20 years-- have they really done anything other than add cost? I think you'd find a hard time finding codes that have actually add some value to homes while not raising the cost significantly. As this committee goes, today you guys are concerned about affordable housing; but next month, you're going to have engine-- energy codes coming in front of you to add one or two things at \$500 or \$1,000 a house. And it's always around life safety. So my question to you is, are you going to think about affordability next month when you look at adding more building codes

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to the codes to just add more cost, or are we going to then decide to go down this other route? Because they're all intertwined. Thank you for your time. I'm happy to answer any questions you may have.

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

JASON THIELLEN: Thank you.

McKINNEY: Other proponent.

CARTER THIELE: Hello. Thank you, Chair McKinney and members of the Urban Affairs Committee. My name is Carter Thiele, C-a-r-t-e-r T-h-i-e-l-e. I am the policy and research coordinator for the Lincoln Independent Business Association. We would like to express our support for LB1166, pertaining to zoning and accessory dwelling units. It would play a pivotal role in fixing housing issues in our community, the Lincoln community, by defining key terms and setting clear guidelines for municipalities. It provides a framework for the development of accessorial-- accessory dwelling units that is both practical and beneficial for both homeowners and the community at large. The bill's requirement for municipalities to allow at least one, at least one accessory dwelling unit by right on a lot or parcel that contains a single-family dwelling is a commendable move, as it not only increases housing options but also allows homeowners to make efficient use of their property. We appreciate the bill's restrictions on municipalities from imposing onerous development standards and-- or additional requirements such as extra parking, matching exterior design, owner occupancy, and impact fees on the construction of the unit. These restrictions ensure that the process of creating accessory dwelling units is not unnecessarily burdensome for homeowners. And allowing municipalities to charge a reasonable one-time application fee for reviewing applications to create accessory dwelling units balances administrative oversight with the goal of encouraging the development of these units. I would just add-- one other thing is that when I started working at LIBA, one of my first days we had a realty group come in and give us a presentation. This was back in September-- a local realty group. And they made the point at that meeting that, in the city of Lincoln at that time, there was only 82 homes available for sale on the market at that current time, to their knowledge. And that was very astounding to all of us. So just this bill, the one prior to it that was introduced, LB1165, these two work well in conjunction to help alleviate that problem. Obviously, it's an ongoing situation. There are things to consider down the road. But by itself, this is a well-considered piece of legislation that will have a positive impact

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on our community, and thus we urge the committee to support this bill and look forward to seeing its benefits realized in our community. Thank you for your consideration. I would be happy to answer any questions.

McKINNEY: Thank you. Are there any questions from the committee? Seeing none. Thank you.

CARTER THIELE: Thank you.

McKINNEY: Other proponents.

TODD STUBBENDIECK: Chair McKinney and members of the Urban Affairs Committee, Committee. My name is Todd Stubbendieck, T-o-d-d S-t-u-b-b-e-n-d-i-e-c-k. And I'm the state director of AARP Nebraska. Senator Hunt, to your question to Mr. Englund. Dundee is actually home to a lot of marvelous examples of missing middle housing, including duplexes. Two or three years ago, AARP worked with Opticos Design to create a walking tour of the missing middle housing examples in Dundee. And be happy to send you a copy of that. AARP Nebraska believes that accessory dwelling units represent an age-friendly housing solution for many older Nebraskans. ADUs alone certainly will not solve our housing shortage, but they do provide an important family-friendly housing option. Older adults may choose to have an ADU that can either house a family member or another caregiver to assist them as they age. Likewise, a family may have an ADU that houses a parent, grandparent, or other older relative. In both cases, the ADU provides an opportunity for the older adult to age in place, remain in their home, and stay at the lowest level of care for as long as possible. AARP Nebraska has worked to educate and promote ADUs, including last year-- we partnered with the city of Omaha and other housing stakeholders to hold the first-of-its-kind ADU design competition in Omaha. The goal of AARP's "ADU for U" design competition was to raise awareness of the roles ADUs could play in family-friendly housing and to actually create a set of professional, buildable ADU designs. We are pleased that 20 professional designs were submitted to the competition and a group of expert housing jurors awarded three winners and one honorable mention. Those winning designs can actually be found at BetterLivingDesign.org/ADUforOmaha/winners. As a result of the competition, the Omaha Planning Department has agreed to create a fast-track program under which the winning designs will be eligible to apply to have their ADU designs preapproved by the city. We're also pleased that the-- in December, the Omaha Planning Board approved zoning changes that have been recommended in the city's 2022

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Housing Affordability Action Plan that'll make it easier for people to move forward with building ADUs. Remain this hopeful. The city council will soon approve those changes as well. While I think Omaha is positioned to become an ADU success story pending city council approval of these zoning changes, the amount of time and effort it has taken to reach this point is illustrative. As I said on the previous bill, I'm not blind to the issue of local control that this bill raises. While I'm sensitive to these concerns, I'm concerned that a piecemeal approach to housing zoning reform, specifically regarding ADUs, will simply take too long and leave too many communities behind. AARP Nebraska thanks Senator Lowe for introducing LB1166 and encourages the committee to support the bill. Happy to take any questions.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you.

TODD STUBBENDIECK: Thank you.

McKINNEY: Other proponents.

ABRAM LUEDERS: Again, I'm Abram Lueders, A-b-r-a-m L-u-e-d-e-r-s. Director of urban design for Omaha by Design. And I'm speaking in support of this bill. You know, this bill obviously touches on a lot of the same issues that we've already talked about. I just want to highlight a couple things that really makes the ADU issue unique. Obviously, a really unique thing about ADUs is that this is one of the few ways where you can actually add additional housing to a lot that's already built out. So we're not talking about redeveloping or replacing something. We're talking about really gently adding on a housing unit. And it's really just a way that homeowners can shape their own properties to really fit their changing needs. As, as Todd said it really well, you know, ADU is a great way that you can actually provide for aging in place, you know, perhaps in elderly parents living in an ADU in proximity to their children. You know, it can be something that allows homeowners to have a secondary source of income to defray the cost of homeownership. It can be a way for, you know, a young person starting out, a young family to really get a foot in the door of a neighborhood maybe they couldn't otherwise afford. And so this is a really interesting way that a neighborhood can really adapt and change to meet different needs and become both socially and economically more resilient, which is a really unique feature. The conversation around ADUs doesn't end with zoning. So even if this is allowed by zoning, there are a lot of really interesting challenges-- challenges around how do we finance their

construction. There aren't a lot of financial products out there tailored for that. Updating building codes to really make it more possible. And as this bill allows for, you know, there can still be challenges in neighborhoods where maybe there isn't sewer capacity. That's all still able to be regulated. But it does clear away one key hurdle. And, you know, as people talk about just concerns over local control, it's a, it's a very valid issue. And, you know, cities should be built by, by their residents. A city's residents need to be involved in the planning of their cities. And really, that's what this, you know, change to, to zoning across the state would do. It would allow homeowners really to build their own neighborhoods in a really powerful way. And I think there are a lot of fruitful conversations that can be had about, you know, that-- what, what room do localities have to really tailor regulations for ADUs for their specific areas. But setting minimum standards at a state level that can then be adapted locally still seems like a fruitful approach. And just as with the duplex bill, when we're talking about ADUs, this really is, again, a modest and gentle increase in density. We're not talking about very large-scale changes. And cities and neighborhoods that can incrementally grow, that can incrementally add people, add density are just going to be more socially and economically sustainable. Thank you.

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you. Are there other proponents?

WARD F. HOPPE: Chair, again, and members of the committee, thank you. My name is Fred Hoppe. F-r-e-d H-o-p-p-e. I'm a principal at Hoppe Development. We build across the state. We build primarily affordable and workforce housing. In my testimony, LB1165 outlined our thanks to Senator Lowe for introducing the legislation that sparks a policy direction on the need to look at what regulatory relief would do on a statewide basis to help increase affordable housing supply. I'm here once again to reiterate that. Thanks. Again, increasing builder, builders' ability to build ADUs gives us another avenue to address affordable housing. And essentially, the, the message is the same as with duplexes. Building and development of housing is a linear thing. If we can put two units on a lot, that doubles our capacity. And that would-- is what this is all about. And that's how it addresses affordable housing. The-- it, it does not take away local control, necessarily. It needs to work with local control. But what it does is it gives a message to the localities, that density is important. When you build affordable housing, density is important. It's how we get affordability. In new construction across the state, this bill for the ADUs probably isn't going to be a factor. But it particularly

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will be a factor on infill lots, on existing lots, and that is significant-- not necessarily in Lincoln, not necessarily in the Omaha metro, but across the state. Thank you again to Senator Lowe for bringing the bills and to Governor Pillen for his support of these legislations. But the-- it-- we're in support. I'm here today not only on behalf of Hoppe Development. I'm here for the Metro Omaha Home Builders Association, Home Builders Association of Lincoln, Lincoln Chamber of Commerce, The Omaha Chamber of Commerce and the Nebraska Chamber of Commerce and the Nebraska Realtors Association. We all support the increase of affordable housing and, and the allowance of ADUs on single-family lots. Any questions?

McKINNEY: Thank you. Are there any questions from the committee? No. Thank you. Are there any other proponents?

ALEXANDER JOHNSON: Alex Johnson, A-l-e-x J-o-h-n-s-o-n. I was asked to come here and just listen today, but I have some difficulty not expressing myself, so here I am sitting in front of y'all. I just wanted to touch on three things really quick, is that I'm also a certified planner. But there is a national chapter called the American Planning Association and they have policy guidance related to these types of things. And I think that, through those policy guidances, including one that was passed-- approved by the organization last year in February regarding equity in planning and zoning, I think that both the previous bill and this one go a lot to support-- are, are supported throughout the text within that. I think that's important to note that we also have a state chapter that I think would be happy to provide you all additional information about how, you know, professional organization of planners is thinking through these things. I just-- another thought is the cities have also opposed the Housing Affordability Action Plan work. They, they provided opposition statements in being like, oh, it's local control again. And I just want to note that, like, now they are using that as a way-- as a mechanism of, well, we don't want to do that, but we did do all these things and we don't want you to control this again. I think it's more helpful to think of this as a removal of a barrier for people. So making sure that people don't have to go to condition-- and get a conditional use permit, making sure that single-family houses are treated the same as duplexes I think are the removal of barriers rather than increasing more barriers or more regulatory control. I think that's a removal of those regulations, at least by a local level. I could go on and on. My thoughts are a little jumbled. I wasn't expecting to speak today. But I'm happy to provide additional thoughts and, and things like that. I think the Dundee example is an interesting one as well, especially in these

conversations, because people use a lot of coded language about characteristics of neighborhoods and preservation of this and that. And I think that those things are part of this conversation, but I don't think the conversation should end there. And I think it's important to note that I think that's, like, racially coded language. And we should be more explicit about calling those kinds of things out. And I also note the Dundee one is interesting because there's, you know, precedent of the U.S. Highway 75 going through north Omaha. There was also a proposal in 1955 for that to go through the Dundee neighborhood, and they were able to leverage their power to not let that happen. So it feels very similar conversations along those lines. So that's all I had to say. I wasn't expecting to speak. So those thoughts are, you know, jumbled and whatnot, so.

McKINNEY: Thank you. Any questions from the committee? No. Thank you. Other proponents. Any opponents?

WAYNE MORTENSEN: Hello again, committee members. Wayne Mortensen, M-o-r-t-e-n-s-e-n. On behalf of NeighborWorks Lincoln. I'm just here to append to my previous testimony that the same packet applies to both of these bills. I think-- I want to recognize the incredible work that Omaha by Design and AARP have done in this space, but I also want to say that those are the best that we can expect. Those are by far the best examples of ADUs that we could ever expect to pop up next door to us. When we talk about local control and zoning ordinances, we, we are asking cities to set minimal, acceptable standards that we can all buy into as a community. And, and make no mistake, this is absolutely overriding the authority of local jurisdictions, especially this latter bill, because it even prohibits the cities from regulating form and design and mass and all of these issues that are fundamental to a good ADU. It's critical to acknowledge that, you know, just like a duplex, the design and siting for an ADU is really important. A poorly sited or designed AD-- ADU can feel intrusive to neighbors and really have an adverse impact on, on valuation. No homeowner or renter wants to live next to a poorly designed ADU. I think we would all agree with that, that if someone built a really bad ADU next to our house, we'd be pretty frustrated about that. And so that's why the zoning and the local controls are important. Instead of preventing communities from enacting quality controls for these ADUs, a far more interesting role for the state would be to explore the idea and create financing tools for these, for these facilities. Most ADUs will cost an already mortgaged homeowner between \$90,000 and \$200,000 to build. These are not incidental projects. Unfortunately, though they can't be paid with mortgages, and often the rent that a homeowner gets with their ADU

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does not cover the full cost of the monthly payment. So the-- it's the loan product, and not necessarily zoning, that has stalled ADUs nationwide. And if Nebraska could find a solution to that, we could lead the nation in the construction and creation of ADUs nationwide. Again, NeighborWorks is really excited about the dialogue. Really happy that Senator Lowe brought these. We would love to figure out a way to make these work if we can make these work. We really appreciate it. Any questions? Happy to answer.

McKINNEY: Thank you. Are there any questions from the committee? Nope. Thank you.

DON WESELY: Mr. Chairman, members of the Urban Affairs Committee. For the record, my name is Don Wesley, D-o-n W-e-s-e-l-y. Again, representing the greater Nebraska cities. I've-- time is short. It's getting late. I'll send you a letter that outlines the specific concerns of these central Nebraska cities. They're, they're largely due to infrastructure issues and other concerns. And I'll leave it at that.

McKINNEY: Thank you. Any questions? No. Thank you.

DON WESELY: Thank you.

McKINNEY: Other opponents.

DAVID CARY: Good afternoon, Senator McKinney once again, members of the committee. My name is David Cary, D-a-v-i-d C-a-r-y. I am still the director of the Lincoln/Lancaster County Planning Department. Here on behalf of the city of Lincoln, providing testimony in opposition to the introduced version of LB1166. Similarly, like our previous testifiers, I won't reiterate all the points that have been made already. I think it is important to note that Lincoln is an example of a city that has done a lot of work with the Affordable Housing Action Plan. We are getting a lot accomplished. We have more work to do. We will continue to do that work. And with that in mind, we also need to note that we do allow ADUs in our local zoning already as well in our lowest density districts. So it's important to make sure that we're acknowledging that there are-- there's kind of a range of, of consideration here for what this bill would be applying to. But I also think it's important along the local control aspect of this and, and really needing to retain that control at the local zoning level. Because the context of ADUs in particular, our experience has been, where they are successful, it is where that, that nuances has been really thought through in particular

neighborhoods. This bill as currently written would not allow local agencies to include requirements such as requiring the ADU to match roof, pitch, and style of the main structure. I would tell you that the, the quickest way to get ADUs a bad name is to have it stick out like a sore thumb in an existing neighborhood or not match what the, what the, the, the style is of the neighborhood. And so that is something that I think is really important to point out and that that's where local control and where local regulations can play a role to make sure these are successful. So that is something I want to make sure we put on the record today. The other point that was already just mentioned by Wayne Mortensen is that ADUs are not cheap to build. We don't feel like this is truly a affordable housing option in the grand scheme of things. It can be part of the toolbox, but they are difficult to do by homeowners. They are expensive and they are-- there are challenges with fine-- with financing them, excuse me. So I think that's also to be put in, in context. So per my previous testimony on the previous bill, I think it's important to probably look at the existing efforts that we already are doing across the state for the affordable housing action plans and that this probably has-- this does have a space in there to have that discussion. I think that's where we would be more than happy to have that discussion. But currently, we would not want to support the current iteration of this bill. And with that, I will answer any questions you might have.

McKINNEY: Thank you. Are there any questions from the committee? No.

DAVID CARY: Thank you.

McKINNEY: Thank you. Any other opposition?

CHRISTY ABRAHAM: Senator McKinney and members of the committee. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m. Representing the League of Nebraska Municipalities. We just sort of want to reiterate our testimony from LB1165. Same principles, I think, apply for this bill. I did want to just specifically mention: in the reports that the cities give to you every other year, there is a specific section that they have to answer about ADUs. So it's interesting to go back and read those sections. Most of the communities do allow ADUs in various forms in various zoning districts. The only municipality, interestingly, that does not allow ADUs is Kearney. But they are looking apparently at maybe allowing them in the future. So I think this is something that cities are looking at and are currently allowing and, and maybe looking to use

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more. But again, happy to work with this committee for a path forward on both of these bills.

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

CHRISTY ABRAHAM: Thank you.

McKINNEY: Other opposition.

ERIC ENGLUND: Chairman and other senators. Eric Englund, E-r-i-c E-n-g-l-u-n-d. Representing city of Omaha. Not going to reiterate the testimony that I gave for the last bill, LB1165. Just looking at maintaining local control. But, you know, we are excited-- and I know it's been brought up in my previous testimony and-- as well as others mentioning it-- we, we are very excited about the code that we are bringing forward to city council. We've had, you know, a great working relationship with AARP of Nebraska. You know, just to reiterate what we've done with them. And, I know Todd had mentioned implementing preapproved plans, and that is absolutely something that we are currently constructing and putting together and working with those award designs. The City of Omaha Planning Department staff actually is planning to design our own ADUs that can be used for free of charge for anyone that would like to pursue that. But-- so we're, we're looking at all avenues to, you know, to try to, you know, gather up support to provide these additional housing. I would reiterate what Mr. Cary just stated, though. You know, by and large, this is a small piece of the pie in being able to afford more units. Unfortunately, we had a zoning code change about three years ago along our ORBT bus line, if you're familiar, in Omaha. Basically, we did some zoning changes to allow more density, and that's usually about a quarter mile from Dodge Street or West Dodge Road. And one of those was some code around ADUs. It did require a conditional use permit. But unfortunately, in the three years that that code has been developed, we have had zero applications and nobody really even asking about utilizing that tool. So I think part of it is just the general public and, and your typical homeowner. That is a lot of cost to take on, and it's challenging. So what you would typically see is, is more developer driven, you know, providing units for, for their rental units or preplanned communities or neighborhoods that, could set these up. So I think there just needs to be more dialogue as well. And, you know, I-- we are excited about the ADUs, but obviously maintaining control, as I stated. Thank you.

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

J. CAVANAUGH: Sorry. I was out introducing a bill in another committee. Thanks for being here. And I'm sorry to miss such a, I'm sure, an interesting conversation.

ERIC ENGLUND: Yeah.

J. CAVANAUGH: From the city of Omaha, right?

ERIC ENGLUND: Yes. Correct.

J. CAVANAUGH: So-- and you were talking a little bit about the transit-oriented development corridor in Omaha.

ERIC ENGLUND: Yep.

J. CAVANAUGH: And it-- you said it extends all the way along the-- Dodge Street, north and south, right?

ERIC ENGLUND: Yup. To about Westroads. Yup.

J. CAVANAUGH: To about Westroads. Is there any part of it that's not part of that?

ERIC ENGLUND: There are a few neighborhoods that are exempt. Some of those were based on the historic district. So there are a few exempt areas. But generally, it goes from downtown along Dodge out to Westroads.

J. CAVANAUGH: And what are the exempt historic neighbor-- areas?

ERIC ENGLUND: Oh, gosh. There's about three or four of them. They were typically-- well, I know Fairacres would have been one of them. We brought that up here earlier.

J. CAVANAUGH: Sorry. I wasn't--

ERIC ENGLUND: That's OK. I'm sorry. There, there's about three or four of them. I can get you that information as a follow-up, but I don't know the-- offhand, the map.

J. CAVANAUGH: And we just-- the city decided not to extend the transit-oriented development along that--

ERIC ENGLUND: Well-- so basically, that was as part of our public engagement effort. We had very robust effort in reaching out to, you know, where all the stops were in those neighboring communities and, and just conversations with those and just hearing some of the

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feedback and concerns about some of the missing middle housing and, and the higher density and, you know, less parking. We heard strongest from those neighborhoods. And-- so really, we decided as, you know, collectively, in order to keep that moving and-- you know, 90% of that, you know, the area along that line we think is a great benefit. We didn't want the 10% of those few neighborhoods to derail the effort, so.

J. CAVANAUGH: And would this bill then apply to those areas too? Is that--

ERIC ENGLUND: If this bill would pass, it would apply to, you know, our entire city and zoning jurisdiction. My understanding on the language is that if there are protective covenants in place, those could be exempt, but the city could not require those. But my understanding in reading the bill is that only those neighborhoods that-- specifically exempt with covenants would be exempt. So, no. Those other neighborhoods that were not included in the TOD zoning, those, those would be subject to this new code-- or, regulation.

J. CAVANAUGH: All right. Thank you.

ERIC ENGLUND: You're welcome.

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

ERIC ENGLUND: Thank you.

McKINNEY: Is there any other opposition?

AMBER PARKER: Amber Parker, A-m-b-e-r P-a-r-k-e-r. I think that's really problematic. And if I'm-- I apologize if I'm getting the bills between LB65 [SIC] and this is LB66 [SIC] here confused. But I think that's really a problem. And it really highlights purpose of division because those who can't afford the money to fight and say, hey, we, we don't want this. This is taking away. But if they don't have a covenant-- which means, normally, the neighborhoods that have those covenants, they, they can fight it. And there's money there. And that's, that's the whole point that I'm going to say. Because I'm not a lobbyist. And my, my thing is there are a lot of people that have a heart for their, their property. Because this comes down to property rights in these areas. And what I want to say is there are people that have property and it's not fair to them because they don't have a fight. So if, if that's the case and it's like, oh, you have exemptions on covenants? Well, it's like, yeah, that's great. These

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people are covered in that. But what did the state do? They overstepped their boundaries of taking away what should be local control. And we got politicians pushing these policies and then protecting their own neighborhoods and saying no, not in their neighborhoods. But then they'll, they'll-- they don't care what you're looking at on the side of your house. You know, it's really hard. There are people that have anxiety issues and they bought their home or they built something and-- let's say it was a townhome or something like that. And they didn't think when they were purchasing and they were excited to build the home and have a dream home, their townhome, that there was going to be an apartment complex right behind them or anything. They saw the sunrise or the sunset. And then here you come in with these zoning laws and you take it out of the local control. And correct me if I'm wrong, but does this bill also close out a public meeting or that the public has no comment in this? And then furthermore, it is hidden. I have been aware that the sustainability lingo social, economic-- you know, people don't buy the buzzwords. Look at who is doing this and how many people were homeowners or have come forward. And we have a problem, and we need to address that problem. But the worst thing we can do is throw it into the state. Because in our state, it's a, it's a bigger situation and it's more of a mess. You guys have over-- if it's 200 bills this year-- last year was 600, 700. You're barely even keeping up with your notes and what you're doing in the correspondence. But that's because there's a purposeful intent to take property rights away, to tax people, and then make sure that, that people in younger generations cannot be homeowners. And then it's the government that deems perhaps where they go or what they can do. So we shouldn't be creating policies to bring persecution on single-family homes. And I want to highlight and I want to say: Senator McKinney, look at north Omaha. They have some beautiful homes. What's going on there in areas where there are some-- sorry. My light went off, but--

McKINNEY: Thank you.

AMBER PARKER: [INAUDIBLE].

McKINNEY: Are there any questions from the committee? No. Thank you. Is there any other opponents? Any-- Is there anyone here to speak in the neutral? Senator Lowe, you're welcome to come up. And for the record: on the online comments, there were two proponents, two proponents, and one neutral.

LOWE: Thank you very much, Chairman McKinney and the committee for hearing this bill. I didn't think it'd be that complicated when I

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first brought-- looked at the bills. But thank you for everyone that came in and testified in opposition and as a proponent. I want to be very brief with this, but I'll, I'll give you three scenarios. Let's say you're a young homeowner and you wish to-- with, with a family of, of three or four and you're living in this nice house and, and you would like to have your mother or mother-in-law move in because they're getting elderly and you have a, a large backyard. And, and so you build her a little home. I'm right now remodeling a house. The house is smaller than 400 square feet. It's an older house. It's a one-bedroom house. But it's something that I can rent to a, a young person that's just starting out in life. But you could build them a small house, and you have a babysitter built in right next door. You have a, a family member that's right next door. Well, let's switch that around. Let's say you're an older person and you are living now in a four-bedroom house and, and-- but you love the neighborhood and the neighborhood loves you. So you build that little house in back and you rent it to a new family that's moving in. All of a sudden, we have a four bedroom house that's opened up, the same person still living in that same neighborhood. Everybody's happy. Let's say you have a special needs child that needs their independence. And so you place a small home behind your house for that child that is now growing up and is a young, young person that has a job. But they still need help. With that, I end my testimony.

McKINNEY: Thank you, Senator Lowe. Are there any questions from the committee? Seeing none. Thank you. We'll now close our hearing on LB1166.

HUNT: And next up we have LB842 from Senator McKinney. Welcome to your Urban Affairs Committee.

McKINNEY: Thank you, Vice Chair Hunt. Good afternoon, everyone. And thank you to the Urban Affairs Committee for hearing this today. 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. And I'm here to present LB842. LB842 contains an extremely important subject, not only to me but to the people I represent: affordable housing. In 2021, about half of Americans said housing issues were a major problem where they live, up to 10% points from-- up 10%-- percentage points from early 2018. Additionally, disparities in racial home ownership, for example, affect generational wealth building. While 74% of white Americans adult population owns their home, comparatively only 43% of black Americans and 48% of Hispanic Americans own their homes. The importance of housing is made clear by its direct correlation to health, education, and other societal metrics. Over the 2023 interim,

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the Urban Affairs Committee conducted L-- a hearing for LR138, which asked what was the meaning of affordable housing, specifically within the context of our state. LB842 was a result of that hearing's study, where we heard dozens of testimonies from various perspectives of the housing world. LB842 make changes to the, to the Municipal Density and Missing Middle Housing Act, the Nebraska Affordable Housing Act, and the Nebraska Housing Agency Act. Within these acts, definition changes include a cap to affordable housing, HUD reliance on area median income, and an increase of construction costs for what counts under owner-occupied housing units. Of note, affordable housing under this bill would mean rental units require no more than 30% of a tenant's annual income and household earnings, not more than 120% of area median income. A low-income household would mean a household earning of more than 50% but not more than 80% of the area median income. And a very low-income household would mean a household earning not more than 50% of the area median income. And I understand there are some questions. I read the comments online about this bill. And it-- particularly not specifically aligning with some federal requirements and things that qualifies people for different, different housing programs. And I understand that. And I'm willing to work to try to figure out a pathway forward. But I thought it was important that we got something in front of the committee so we can have these conversations and find a solution. Like the conversations prior, I think we can't just stand back and try not to do anything. I think we have an issue that everyone continues to say is probably the most pressing issue for our state and in our country. So we have to find a solution. And, and that's the biggest thing. One thing that frustrates me all the time is when, especially in my district and other districts in Omaha, when you hear of new developments and people saying we're building affordable housing. But it's not really true because if you use my district's median income and you think about affordable housing, that is impossible. There is no affordable housing if you base it off of that specifically. But I think what the problem is, tho-- those affordable housing projects don't think about more than just the rent. I think you also have to think about the utilities and the other costs associated with renting a home or owning a home. And I was kind of really-- what even came out of the interim study hearings is that whole conversation of why we tried to encompass all of this in this bill to try to find a pathway to hopefully define affordable housing in a way that works for all Nebraskans and try to, you know, make sure that we're doing something to move the state forward to address our hi-- housing crisis. And with that, I answer any questions.

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HUNT: Thank you, Senator McKinney. Any questions from the committee? Oh, Senator Hardin.

HARDIN: What is the average income in your community? And, and therefore, if we were to take that times the traditional five or six or seven years, I mean, what, what, what does that hof-- house cost?

McKINNEY: I would have to-- well, the average income-- I looked at-- we got those books today with the Legislative Districts At-A-Glance. And it said about \$35,000 average median income in my, my community. I forget the numbers on the housing because I just got that today, so. I'll look at that.

HARDIN: That gives me a feel.

McKINNEY: No problem.

HARDIN: Yeah.

HUNT: Any other questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thanks for bringing this bill, Sen-- Chairman McKinney. So the-- I think you were specifically talking about the one comment that talks about Section 7--

McKINNEY: Yup.

J. CAVANAUGH: --needing to be eliminated. I guess my question about-- you know, I, I remember that hearing you're talking about and that we're-- you know, when we don't capture all of the other costs, then we're not really talking about affordable. What's our ability to limit the utility costs? Because, I mean, if you're renting, right, you can-- we can limit the rental. But if the landlord just, you know-- when I've rented bef-- previously, I had to get my own, whatever, gas or electric. And I paid that directly to my utility company.

McKINNEY: Yeah.

J. CAVANAUGH: I wonder-- is that-- so does that mean we're putting a mandate on OPPD or NPPD or something like that or is it that the landlord has to sign people up? I guess I'm trying to wrap my head around what's the actual mechanism in how we're doing this.

McKINNEY: The way I was thinking about that is by encompassing the utility costs and just thinking about what are the average rate of

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utilities that a person might pay monthly. I don't think we could regulate that and make OPPD do something or the landlord. But trying to think about-- you know, if somebody is applying to rent a, rent a home, what are those-- let's say somebody was living in a three-bedroom house and they came to you and said, I wanted to rent two- or three-bedroom house. What was the cost in that house prior? Like, what was the average cost? Just trying to think about that in some type of way. But no, I don't think we could regulate OPPD or the landlord. I think that would be hard. I think there's been some things associated with the rental registry to try to make landlords do better as far as weatherize-- weatherizing houses to bring down cost and things like that, but nothing specific.

J. CAVANAUGH: Just-- not a-- and not a question, but a comment that-- well, maybe it's question. Did you see the news story out of Lincoln where an apartment building just got shut down and people had to get evacuated out of it because of the weather-related damage to the building?

McKINNEY: No, I didn't see that story.

J. CAVANAUGH: I guess my question is, where did those people go and who's responsible to find them a spot?

McKINNEY: I have a bill to address that, that issue, but it's stuck in committee.

J. CAVANAUGH: Thank you.

McKINNEY: No problem.

HUNT: Any other questions? Seeing none. Thank you, Senator McKinney.

McKINNEY: Yeah.

HUNT: We can take the first proponent for LB842. Welcome.

GWEN EASTER: Welcome. It's been a long day. But I'm glad I got here to say my name is Gwen Easter, spelled G-w-e-n E-a-s-t-e-r. I'm the founder of Safe Haven Community Center. I'm also appointed commissioner of the Nebraska Commission on African American Affairs. I'm here today on behalf of individuals, families to ask you, you all, to support Senator McKinley's [SIC] LB842 bill. Safe Haven Community Center is a grassroots organization, has voluntarily provided a home [INAUDIBLE] referral service for 25 years for north Omaha and surrounding areas. Our organization receives referrals from

211 and other community organization because we help individuals and families that are in a crisis and have fallen through the cracks of systems to find real affordable homes or seek-- seeking help to keep their homes. We help individuals and families get connected to landlords to rent their homes. We provide resources to them to connect with other prof-- nonprofit organizations and churches for help when they are in need for deposits, first month's rent, rent payments, utilities, and other family needs. Someone earning only minimum wage can't afford the high rent we, we see that is happening today. The apartments. Unless-- can't afford apartments as well unless they have a Section 8 voucher. And many families are being displaced because of the not-so-affordable home and apartments being built. For many families that do make a decent living, they have difficult ti-- a difficult time paying rent and maintaining other needs like utilities, groceries, and other family needs. We need a real definition of affordable home, affordable housing. God forbid that they find themselves in, in a crisis, like a loss of job, and can't pay their next month's rent or have evictions on record, on record for 1 to 20 years ago, or have low credit or bad credit or no credit. All majority of-- majority of individual families are denied services due to red-tape policies that are created by organizations that are supposed to help families. Many families and individuals do not receive follow-up phone calls when leaving a message for help. And lastly, I leave you with this. For example, a 73-year-old elderly woman called me yesterday. She's, she's going through a lot right now. She has-- she was homeless for about a year, sleeping in her car. She then went to a shelter. She-- and she got to stay there. But when her time was up, she had to leave. After that, she ended up renting a place that is in bad condition. And now she has the opportunity to, to be able to go into the OHA towers, terrace homes, apartments. But due to the fact that she is on a fixed income, she cannot afford to pay the deposit and rent at the same time. And she is in need of \$451 by February 1 in order to move. She's called many-- many organizations have told her-- told her they didn't have the funds. And, and is-- she's not the only person, you know. 211 sends a lot of calls out to a lot of agencies. I'm not saying that there are agencies that-- they don't help families. They do. But the-- but, but, but the majority of families, you know, they don't get approved, you know. And, and, and so we, we do need some caps. We also need to-- I hope that this gets put in the bill, where landlords are having people fill out application fees knowing they're not going to rent that property to people. And then these, these people are trying to just find a home. It's hard out here. And I, and I really hope that you, you all take it, take-- you know, really, really,

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really get an understanding how, how much there is a need, especially in north Omaha, for us to have single-family homes that are affordable, that, that families have enough room, you know. And I'll be glad to help also in sharing-- in helping with your bill too because I get calls every day about this, and that's why I wanted to support him. And I hope that you all do too. Thank you.

HUNT: Thank you, Ms. Easter. See if there's any questions for you. Any questions from the committee? Seeing none. Thank you for being here today.

GWEN EASTER: All right. Thank you.

HUNT: Next proponent for LB842. Any other proponents? Seeing none. Any opponents for LB842? Welcome back.

WARD F. HOPPE: Good afternoon, Senator Hunt. Thank you for letting me testify again. My name is Ward F. Hoppe, W-a-r-d F. H-o-p-p-e. I'm a principal with Hoppe Development. We build affordable housing and workforce housing across the state. We do it and we do it primarily with assistance. I mean, we do things-- affordable housing cost up here to build. The, the amortization of the rents is somewhere below that. So you got to fill the gap in between what the cost is and what your tenants ultimately can pay amortized over time to-- and, and it's a business. I mean, I'm not going to lie to you. We're landlords. And the-- what we do and what my company's pretty good at is getting grants or, or funds that bridge the gap-- the gap I'm talking about between amortization, what a loan provides, and what, you know, what people can pay on their property. So we use DED funds. We use affordable housing trust funds, both state and federal. We use-- we build in the middle income workforce housing space. We build in the rural workforce housing space and all those. And when we're building, we're developers. I oppose this bill, LB842, not because of its intent, not because of, of the fact that there isn't a need to define affordable housing in this state. It is that the definitions in the bill don't work for somebody who's trying to develop a project. When we put together a project, we have to be able to project what our rents are so we can go to a bank and show them that we can make this building pay off and it'll be worth what we build. We have to be able to put projects together. So we make-- when we make applications, whether it's for low-income housing tax credits or for workforce housing grants, whatever, we have to be able to show what the incomes and how that, that project's going to pay off. In that, that means that the definition of workforce housing has to be in terms of what we-- how we set our rents or how we set our pricing,

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not in terms of what tenants can pay. If under the-- the language in the bill, under workforce housing, we would-- potentially in a project that had a hundred units-- have a hundred different rents that they're paying-- that tenants are paying. Because in the bill, it is set in terms of the 30% of income is what a tenant pays for rent. It just doesn't work. It'll-- it will absolutely stifle housing. But if you convert that language-- and I will say and-- may--

HUNT: I'll let you wrap up, yeah.

WARD F. HOPPE: --may I run over?

HUNT: No, but you can wrap up here.

WARD F. HOPPE: OK. When you look at 30% of income, is a good definition for affordability for housing for people. That is the national standard. But what-- in terms of program definition, it has to be in terms of where we set rents. So I-- and I'm-- had written comments, and what I would suggest in those written comments is changing the definition for affordable housing to be 30%, 1/12-- rent set at 1/12 of 30% of the 80% median income for affordable, and the same at 50% for very low income.

HUNT: OK.

WARD F. HOPPE: Is that--

HUNT: Thank you.

WARD F. HOPPE: Yeah. And--

HUNT: Thanks for your testimony today. Let's see if there's any questions for you Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thanks again for being here, Mr. Hoppe. And I see the-- your comments you had in here. I just want to clarify. Are you in favor or opposed to the bill, or does it depend on if we made those changes?

WARD F. HOPPE: I, I'm in favor of the concept. The-- I, I wrestled with this. When I submitted written comments, I did it in support. Today, I'm testifying-- I thought it over and I said, hey, this bill won't work the way it is. It won't work for developers. So it, it needs to be changed. So I came in as an opponent. I am very much in

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favor if the language is-- if it's amended to address the concerns we have about how it's implemented.

J. CAVANAUGH: So hypothetically, if we just took the language you suggested in your written comments--

WARD F. HOPPE: I'm all in.

J. CAVANAUGH: --you're-- great. OK. Thank you.

WARD F. HOPPE: Huh?

J. CAVANAUGH: Thanks.

HUNT: Thank you, Senator Cavanaugh. Any other questions? Seeing none. Thanks for being here today.

WARD F. HOPPE: Yep.

HUNT: Any other opponents for LB842? Don't be shy. Come on. OK. Seeing none. Anyone here in the neutral capacity? Welcome.

DON WESELY: Hi. Madam Vice Chair, members of the Urban Affairs Committee. Again, for the record, my name is Don Wesely, D-o-n W-e-s-e-l-y. This time, I'm representing the Lincoln Housing Authority and also NAHRO, the Nebraska housing development officials. Na-- NAHRO represents housing authorities across the state of Nebraska. And I was going to testify against the bill-- but, Senator McKinney, I appreciate your willingness to, to talk to us-- with some language changes in Section 7 that would not be in conflict with federal law. Obviously, if that was changed and taken care of, then we wouldn't have any objection to the bill. So we look forward to working on that. The letter you've gotten outlines the situation and the federal statutes that are in conflict. So with that, I'd be happy to answer any questions.

HUNT: Thank you very much. And sorry for my tone. I thought you were in opposition. And I was like, he knows what the deal is. Like, come on. Sorry.

DON WESELY: No, I was, but-- no. We'll work this out.

HUNT: Understood. Thank you so much for being here. Let's see if there's any questions.

DON WESELY: Thank you.

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HUNT: Any questions? Seeing none. Thank you again.

DON WESELY: Thanks.

HUNT: Welcome back.

WAYNE MORTENSEN: I'm so sorry to subject you to me on every one of these bills. Wayne Mortensen, M-o-r-t-e-n-s-e-n. NeighborWorks Lincoln. And very similar to the mayor, we appreciate very much the intent of this bill. It's very critical that when we say affordability we know what that means. The 30% threshold is a, a gold standard. But just as an example, HUD does allow us to qualify buyers with PITI-- principal, interest, and taxes and insurance-- up to 33%. So having that language in there as a hard-and-fast rule does potentially put us in conflict with serving as many Nebraskans as we can based on HUD's definitions. The only other category I would add to our requested amendments is the-- you know, just the direct reference of these four HUD definitions for extremely low income, very low income, lower income, or low income and affordable. That would allow us to not have to keep two sets of books, do two sets of reports, and speak with other developers and stakeholders across the United States on similar apples-to-apples terms. I will close by saying that I am testifying here on behalf of NeighborWorks Lincoln but also the Nebraska Housing Developers Association.

HUNT: All right. Thank you so much for your testimony. Any questions from the committee?

DON WESELY: And if I could just add-- I'm sorry, Senator Hunt-- we did suggest that we think one of the really nice parts of the bill is to increase access to affordable housing by more Nebraskans. And so we might suggest two upper limits that go beyond the 80% to capture the 120% market, which would be middle or moderate income at 150%, which would be workforce. Those are other broadly understood categories that wouldn't be in conflict with any of our other funders. Very much appreciate your time. Ms. Knight and Senator McKinney, your leadership on this, on this have been really great.

HUNT: Thank you for your testimony. Anyone else neutral on LB842? Seeing none. Senator McKinney, you're invited up-- oh, welcome.

AMBER PARKER: Hi.

HUNT: Welcome.

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AMBER PARKER: Amber Parker, A-m-b-e-r; Parker, P-a-r-k-e-r. I really think that we need to make sure with, with the need that, when there is affordable housing, that it's actually going to the people here in Nebraska that need the housing and they're coming on that list ahead of time than those who are coming in and crossing our borders illegally. And I, I got to say this because what's happening is that those coming in and crossing our borders illegally are actually getting at the front of the lines to be taken care of over the families. And I've heard this-- and there's really a troubling narrative-- and I, I'm sad to see that there aren't more people speaking out on this. But we hear about affordable housing. We hear about apartments coming. And I have to say that Gwen Easter from Safe Haven Community Center has opened my eyes and has-- in our communications, it's highlighted the division that was purposeful-- purposefully meant to think it only happens within certain communities and area--

HUNT: Sorry, Ms. Parker. Can you guys, can you guys lower your conversation for me? Thank you. Go ahead.

AMBER PARKER: That's OK. OK. So anyhow, in these areas, when we look at with what Gwen Easter's doing in what she's come forward and talked about, there's a purposeful division between us and our communities to put a gray area and not to have the discussions. So I think it'd be wise to have a legislative resolution as well, this-- do a study within the demographics to see that these land developers and that, when they're truly coming forward and saying affordable housing in all these areas, is it truly affordable housing for the families that are already here in Nebraska? Because we have to take care of our Nebraska families first. We have to make sure that these families are not being pushed out, gentrification happening in these neighborhoods by people that, that they think are on their side, but they're pushing them. And some have even taken their land. And as they have done so, you got landlords and land developers coming in, raising rent so high. And it is pushing families-- and I will speak to this too. In hearing testimonies, right now in-- not just north Omaha, but in other areas, but pushing people out of the state. And, and they, and they can't afford. And so I think this is really problematic, and I believe that there's some wolf in sheep's clothing that are trying to throw something here, get it in state control, and then hide and further oppress the people that have had an oppression and haven't had their voices because they don't have the amount of money to stand up or have an attorney to make their-- and I'm, I'm concerned that parental rights will be usurped, taken out against them and their children out of custody because they don't have a

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proper place to live and they were given the promise that affordable care and then they-- or, excuse me-- housing and they can afford it. And this is really a situation-- and proposed legislation has set it such that that could be the case. And I'd be glad to talk to Senator McKinney about that as well.

HUNT: Thank you, Ms. Parker. Let's see if there's any questions for you. Seeing none. Appreciate you being here today.

AMBER PARKER: Thank you.

HUNT: Long afternoon. Anybody else here to testify in the neutral capacity? Seeing none. I'll welcome Senator McKinney back up. And on LB842, we had some letters. We had five proponents, two opponents, and two letters in the neutral capacity. Senator McKinney.

McKINNEY: Thank you, colleagues. And thank you, everyone, who came to testify, whether for or against LB842, or in the neutral. I think it's an important conversation to have. And I appreciate the feedback, especially from the neutral testifiers, which is making sure that we think about everything as far as the bill and making sure we cross our T's and dot our I's before we pass something that could have some harmful impacts. So I think that's, that's good. And just for me, my number one-- not just-- not my number one priority, but I think one of the priorities, especially for this committee, as you seen today and in, in other times prior, that we're trying to find a way to address affordable housing. And no, we don't have all the solutions. But as a committee, I think we're willing to try to look at everything and try to find a way to address our affordable housing issues and our housing crisis issues. So I'll work with the committee and I'll work with those who offered some suggestions to try to get this to a, a, a better place before we try to vote on it. And thank you. I'm open for any questions.

HUNT: Thank you, Chairman McKinney. Any other questions? Seeing none. With that, we'll close the hearing on LB842 and our hearings for the day. aLet's take.